The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, JUNE 25, 1932 VOLUME 61, NUMBER 4

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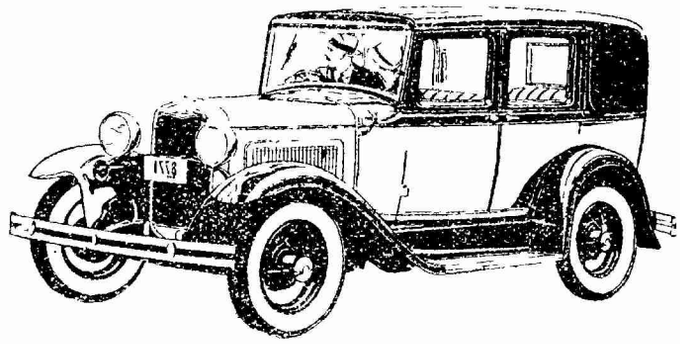

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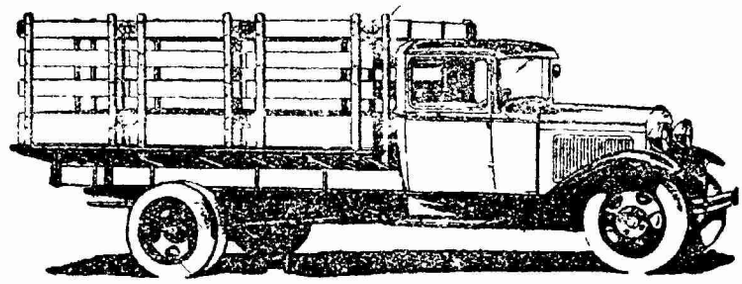

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

THE FREE-CITY AND DEMILITARIZED ZONE IDEAS ARE BOUND TO FAIL

MUCH has been heard in recent months regarding the proposal for the establishment of a "Shanghai Free City," which various selfish interests in Shanghai are sponsoring. Before proceeding to discuss this subject *The Review* wishes to point out that, broadly speaking, the situation is that here in Shanghai there are two main avenues of making a living, one of them being to engage in the export and import trade and the other to own or handle real estate. Incidentally it may be mentioned that very few of the traders own the premises in which they carry on their business. When the original treaties between China and the Foreign Powers were entered into it was contemplated that Shanghai would be a place where non-Chinese could live and trade, and with a view to making Shanghai exclusively non-Chinese it was stipulated that Chinese could not own any land. Pretty soon however the foreign community found out that without Chinese here the place would not prosper very much, and ever since the days of the Taiping Rebellion there has been a very prosperous real estate business conducted here on the basis of hiding the Chinese ownership of land under deeds of trust and registering it in the various Foreign Consulates as foreign land. It is a fair estimate that only one-fourth of the land in Shanghai is at present owned by foreigners, and even a large proportion of that is owned by foreign-incorporated land companies, in which large blocks of shares are held by Chinese. The situation as regards the protection given to Shanghai by the foreign powers is that from a monetary point of view the principal benefit accrues to the owners of real estate, who are able to "cash in" on the protection given free by the foreign powers, as the rents collectible here are much in excess of what they otherwise would be owing to the foreign protection that is included when the rents are paid. That such a situation exists is a sad commentary on conditions as they exist in China, but such nevertheless is the true state of affairs. Now let it be realized that the motivating force, so far as Westerners are concerned, for the establishing of a "Shanghai Free City" comes from the very considerable body of people whose earning of their daily bread is bound up with the subject of real property. It naturally follows that if the area within which foreign jurisdiction is exercised can be increased, the real estate gen-

try will be able very much to increase the range of their protection-selling operations. Very little of the agitation for the free-city scheme comes from Western merchants, as their profits depend on maintaining and fostering the good-will of the Chinese, and to agitate for a free-city certainly does not tend in that direction. It is in this atmosphere that the Japanese chauvinists find a fertile field for their operations. The Japanese are looking for a catspaw and it would be very foolish of the Shanghai Western community to allow itself to be used as such. The Japanese realize that the Shanghai adventure was a blunder. They do not yet realize that the Manchurian adventure is a similar blunder. At any rate they are moving heaven and earth to make two separate issues out of Manchuria and Shanghai, on the theory that domination of Manchuria is most important for them, whereas domination of Shanghai is not so important. However, in both cases the Japanese idea is the same, namely to be the real power behind the scenes, working through some intermediary. In Manchuria the intermediary is "Manchukuo." In Shanghai, if they are able to "put over" the free-city scheme, it would be the Western community. However, there is very little chance of the free-city scheme coming to fruition as the Chinese community, as is only natural, is absolutely opposed to it. Nor is the Chinese community being bluffed on the matter of Shanghai and Manchuria being separate issues, as the Japanese are trying to make it appear. On every possible occasion the Chinese make it quite clear that they are not willing to discuss the future of Shanghai at a round-table conference, or at any other kind of a conference, unless the whole set of outstanding questions between China and the Foreign Powers, and particularly Japan and Manchuria, are included in the discussions.

Vigorous opposition to the proposed round table conference is being carried on by the Shanghai Federation of Street Unions, which in the course of a recent statement, said, "The term round table conference cannot be properly applied to such a conference because matters of a political nature will intrude as happened when Great Britain was holding a round table conference with India."

The *China Press* on June 17 printed an interview with "a responsible official of the Shanghai Municipal Council" (which *The Review* has good reason to believe is Mr. Stirling Fessenden, Secretary General) in which he branded the free-city scheme as impractical and a direct violation of the Nine-Power Treaty, adding that the Chinese government would never agree to the scheme and that such a plan, if forced upon China by the Foreign Powers, would constitute a violation of the sovereign rights of the nation. Mr. Fessenden said that this scheme came up way back in 1862, but it was rejected then by the Foreign Powers, and it will unoubtedly be rejected again by them. Mr. Fessenden, however, was represented as favoring a demilitarized area, from which all foreign and Chinese troops would be barred. "If Shanghai and the immediate area were converted into a zone from which all foreign and Chinese troops were prohibited," the official declared, "it would insure the Settlement as a neutral zone and would prevent a recurrence of the situation brought about by the late hostilities. Incidentally, the use of the International Settlement as a base of operations by the Japanese brought about a situation which never before has existed in the history of the Settlement. In my opinion a treaty on the part of the foreign powers concerned, and China, by which Shanghai would become a neutral zone, would go far toward solving many of the vexatious existing problems."

In reply to the demilitarized zone idea, a Chinese correspondent (Mr. Mark T. T. Shen) wrote to *The China Press* pointing out that such a scheme also violated Chinese sovereignty. "China," said Mr. Shen, "is a part of the territory of China. If now we take a part out of it as a neutral area to which China's influence cannot reach, how can her rights not be violated?"

Bound up with this question of the future status of Shanghai is the matter of Municipally-owned roads beyond the Settlement limits, which have been a bone of contention between the Municipal Council and the Chinese authorities for many years, and which have recently served as the basis of extended negotiations. In this connection a Chinese spokesman of the Greater Shanghai Municipality recently stated that the foremost opposition to the jurisdiction of the extra-Settlement roads being handed over to the Chinese came from the Japanese. A second class of people which oppose the negotiations is comprised of a small section of the foreign community in Shanghai, which (the spokesmen said) takes the view that the surrender of the Extra Settlement Roads will probably lead to the surrender of the Foreign Settlement itself, and a third class of the opposition rank consists of Chinese people who happen to own real estate along the Extra Roads which, it is feared, will decrease in value once their jurisdiction is taken over by the proper Chinese authorities, said the official. Yet another group of people who joins force with the opposition constitutes a number of political reactionaries who take refuge in Extra Settlement Road areas, the spokesman continued, and their opposition is actuated by the fact that as soon as the jurisdiction of the Extra Settlement Roads is returned to the Chinese authorities, their secret activities will be effectively checked.

The Review takes the opportunity to express the opinion that both the free-city scheme and the demilitarized zone idea are bound to fail. Both of them would undoubtedly imply a lessening of the Chinese hold upon territory within its own domain. It may be taken for granted that China will not willingly enter into any such scheme, and there is little chance that a sufficient number of Foreign Powers will join together to coerce the Chinese into accepting the idea, the more so as there would be no benefit to speak of for the commercial community of Shanghai, for whose benefit the Foreign Settlement is primarily maintained, and certainly no benefit any ways near commensurate with the cost of carrying out such coercive measures. If any Western Power has any doubts on that point let it study the balance sheet of Japan in connection with the Shanghai adventure, quite apart from the fact whether in the end Japan may not

be constrained for the sake of securing future Chinese trade to pay at least a tithe of the billion-and-a-half dollars of damage which Chinese estimates say they have caused in this neighborhood during their rampage of several months commencing on the night of January 28.

IRISH QUESTION FLARES UP PROMINENTLY IN BRITISH POLITICS

THE Irish problem has again loomed up very prominently in British politics. Mr. de Valera, the President of the Irish Free State, is persisting in his independent and defiant attitude on the question of the taking of the Oath of Allegiance to the British Crown and as regards England's insistence on the collection of the ground rents according to the agreements made about a decade ago when the Irish Free State was created, Mr. de Valera made a speech in the Dail in which he referred to Britain's "pound of flesh." In a tense atmosphere Mr. J. H. Thomas, Secretary for the Dominions, made a speech in the House of Commons June 17 reporting the result of his recent conversations with Mr. De Valera, Mr. Thomas having made a trip to Dublin to discuss the subject of the status of the Irish Free State with the Irish leaders in their capital. In the course of his statement in the House Mr. Thomas said that Britain expected treaties to be lived up to by the Irish Free State, even though there was a change of government. Mr. Thomas's report of Mr. de Valera's proposals, according to *Reuter*, "astonished" the House. Mr. de Valera's position on the oath was that it was not mandatory and at any rate a matter of domestic concern. Mr. Thomas said the position taken up by Mr. de Valera was intolerable and it was necessary that the British Government should leave Mr. de Valera and the Irish people in no doubt whatever as to Britain's attitude and make it clear that they could not enter into any agreement with a Government which proposed to repudiate a treaty. Later proposals made by Mr. de Valera, in Mr. Thomas's opinion made the position worse than ever. The British Government, he added, deeply deplored the present position. They wished well of the Irish people, as evidenced by their tariff preferences, but whatever the consequences, they would not countenance the breaking of agreements, nor would any British Government ever attempt to force Ulster against their will. The debate on the question was memorable in that Lloyd George, the Liberal lader, took part in it, saying that although he was elected to oppose the present government his first speech in this Parliament was to support it. It was essential he declared that the British Government should protest clearly and definitely against the attempt of the Irish Free State to commnit a breach of faith. Mr. George expressed doubt as to whether Mr. de Valera had the majority of Irishmen behind him.

An incident illustrating the tense feeling existing in the Irish Free State occurred in Dublin June 18 when the manager of the exclusive Shelbourne Hotel was compelled by the Irish Republican Army to remove the Union Jack (British flag) from among the collection of flags of all nations flying over the roof in honor of the overseas visitors to the Eucharistic Congress.

GENERAL MA DIRECTS OPERATIONS BY AIRPLANE

POLITICAL developments continue to overshadow the actual military movements in Manchuria. The outstanding features of the military situation are that the Japanese have very considerably strengthened their forces at Shanhaikwan and that General Ma Chan-san, despite the numerous Japanese intimations that he is about to flee, is far from beaten. The bandit situation is rapidly becoming worse in many parts of the Three Eastern provinces and is particularly bad in the Harbin area, where the telegrams speak of "anarchy" prevailing. Armed bandits and irregulars are reported as being very active in the Ashiho-Imienpo section of the Chinese Eastern railway and as a result there is a constant influx of refugees into Harbin. The situation is so bad that at Zaton, on the left bank of the Sungari river, opposite Harbin the Russian residents have asked the police authorities to be allowed to form a special Russian police guard, as the Chinese police stationed there cannot cope with the menace. It is pointed out that the bandits and armed robbers always succeed in getting away with their booty which, on several occasions, has taken the form of herds of cattle. Among recent victims was Mr. Maffer, Italian Consul, from whose residence silver and valuables worth $10,000 were stolen June 17.

The Japanese reported on June 18 that a large force of anti-Manchukuo troops was massing near Shwangchengpu, on the southern branch of the Chinese railway, 30 miles from Harbin. General Ma's forces were reported to be continuing their march southward from the Paichun district, their evident intention being to attack Tsitsihar, the provincial capital of Heilungkiang, which the Japanese wrested from him last year. Several skirmishes between Japanese and anti-Manchukuo troops are reported to have taken place northwest of Hulan, at the terminus of the Hui-hai railway.

A recent radio message received in Peiping from General Ma Chan-shan, who it is to be remembered bears the official title of Chairman of the Heilungkiang Provincial Government, reports that he is travelling back and forth by air between the various fronts, directing the operations against the Japanese. He reported that the Manchukuo forces at Tungho on the lower reaches of the Sungari River had been repulsed by the Heilungkiang units under Colonel Chiao, who was leading his men in an attack on Fangcheng and also on Ilan (Sansing). He also reported that General Li Tu, Commander-in-Chief of the Kirin Self-Defence Army, is preparing to join the counter-attack on Ilan from Nuanchuan as soon as he has readjusted his units. Units of General Ma's troops, according to reports from Harbin at the beginning of the week, were concentrating near the Hui-hai railway, moving southward with the evident intention of breaking the line and possibly invading Harbin.

The Heilungkiang troops and the Japanese units were facing each other 13 miles north of Hailun June 19. The Japanese, with the assistance of airplanes, launched a fierce attack on Ketung, east of Keshan, on the morning of June 17. Though the Chinese loyalists offered stiff

resistance, they were forced to retreat after 24 hours' fighting. The Japanese entered the walled city of Ketung at noon June 18. Fighting is still taking place in the vicinity of Ketung where the Chinese have been reinforced by other volunteers.

The Japanese garrison at Shanhaikuan was increased June 17 with the arrival of 700 troops from Mukden and some heavy artillery. The Manchukuo police, which recently were withdrawn when the League Commission was passing through Shanhaikuan, have again taken up their posts outside the Great Wall. With the presence of a large Japanese force a tense situation prevails at Shanhaikuan and the Peiping authorities are stated to be closely watching developments.

Urgent despatches received at Peiping June 19 reported that the Chinese Volunteers in eastern Liaoning were marching on Mukden. One Company of the Manchukuo units under Yu Chih-shan stationed south-east of Shenyang was disarmed by the volunteers. Martial law is being strictly enforced at Mukden since June 11. It is reported that 200 volunteers in disguise recently penetrated into the walled city. On June 14, 2,000 volunteers assailed the police force at Pachiatu, several miles south of the city. The "Big Swords" corps end of last week temporarily occupied Shanchengtse and Yingpan stations on the Shenyang-Hailung Railway, disrupting traffic on the line by tearing up the tracks.

HOW SHANGHAI FIGHTS THE CHOLERA EPIDEMIC

THAT Shanghai and other important cities in China are face to face with a cholera epidemic of unprecedented proportions is becoming more clear every day. Shanghai and the Yangtsze Valley generally have been subjected to rainy weather almost daily for the past month or so and although the downpourings have not been exceptionally heavy at any one time, the net result has been to keep the soil in that soggy condition that is favorable to the propagation and spread of the cholera germ. The fact that the constant rains have kept the temperature at a comparatively low level has made life fairly pleasant but has in no way lessened the cholera menace. Dr. Wu Lien-teh, head of the National Quarantine Service, reported end of last week that 24 new cases had been reported during the previous seven days. Of this number eight had ended fatally in the Shanghai area. These cases were distributed in follows: Municipality of Greater Shanghai 159 cases, seven deaths; International Settlement 65 cases, no deaths; French Concession 16 cases and one death.

Of the new cases reported 191 were admitted to the Thibet Road Hospital, where four deaths took place. Twenty-four cases were treated at the Emergency Hospital, where three deaths occurred during the week. The Isolation Hospital last week received 15 cases, one of which ended fatally. The other 10 cases are being cared for at other hospitals in the city. The comparatively low mortality from cholera of 5.7 percent during this season is thought by Dr. Wu to be due in part to the extensive anti-cholera inoculation among the poorer classes and good hospitilization.

An unfortunate episode in connection with the fight against cholera in Shanghai took place at noon June 20 when an explosion and fire occurred in the cellar of the Bureau of Health laboratories located in 198 Jukong Road, as a result of which the work of the laboratory will be suspended for about two weeks. The fire had its origin in an explosion, which in turn was caused by some ether being ignited by an electric spark while an electrician from a local electrical repair shop was at work there. One coolie was killed and 6,000 bottles of anti-cholera vaccine were destroyed. Dr. Hu Feng-chi, head of the bureau, declares that the public should not worry about the vaccine loss because there is sufficient to meet the demand for the present. The bureau will wire to the National Epidemic Prevention Bureau in Peiping for more anti-cholera vaccine when the remainder is used up, Dr. Hu explained.

The National Quarantine Service reports a heavy incidence of cholera in Nanking, where 200 cases have occurred. Eighty of these cases are being treated at the Central Hospital. Increases in the incidence of cholera are also reported from Hankow, Tangku and Tientsin. At Hankow the quarantine officer reports having performed more than 10,000 inoculations. Some cases of cholera have likewise appeared in Japan, the authorities having found "quasi-cases" among troops and civilians returning from Shanghai and Woosung.

In commenting upon the sources of infection of cholera, Dr. Wu recently stated that the water supplies in the three municipalities are filtered and chlorinated and therefore not a source of infection. The greatest danger, according to Dr. Wu, lies in shallow wells whose contents are often polluted by washings from night-soil buckets. A systematic survey of such wells and their disinfection with potassium permanganate or bleaching powder would probably help to diminish the incidence of the disease, suggests Dr. Wu; also the breeding places of flies should be rendered innocuous.

National Mandate Calls for Enforcement of Opium Suppression Laws

Strict and faithful enforcement of the various laws and ordinances promulgated by the Government regarding the suppression of the opium evil is called for by a Mandate issued by the National Government June 18. The Mandate threatens severe punishment to officials who are negligent in the enforcement of these laws and ordinances. The Mandate orders all the responsible officials to obey and carry out faithfully the various laws and ordinances relating to opium-suppression; they must not regard such as dead laws, to be treated only as *pro forma* and to be ignored *de facto*. It is further declared that should any official be found guilty of negligence in the enforcement of such laws, thereby adversely affecting the welfare of the people, he will be prosecuted and punished severely in strict accordance with law.

Anti-Japanese Students' Meeting Banned by Bureau of Public Safety

A mass meeting which was to have been held Sunday morning, June 18, under the auspices of the Students' Society for Resisiting Japan was not held because of the police ban served by the Bureau of Public Safety. The Students' Society for Resisting Japan had planned the convocation of the mass meeting in order to revive the anti-Japanese agitation in Shanghai. The Japanese *Press Union* expresses the view that the Chinese police served the ban on the meeting because of the apprehension lest the occasion should be taken advantage of by radical elements, especially Communists, to create disturbances in and around Shanghai.

YES, JAPAN HAS GONE IN FOR BIRTH CONTROL!

T has remained for a Japanese merchant to outdo Margaret Sanger and all the other advocates of birth control who have been bemoaning the fact that Japan annually produces 800,000 new babies in a land already overcrowded. Travelers who have been in Japan recently as well as world tourists are displaying surreptitiously a catalogue written in what might be designated as Japanese pigeon-English which carries the title, "The Key to the Sex Question." Under the title appears the phrase, "Sex-Store," with the name of the company and the street addresses indicating branches in Yokohama, Osaka and Kobe. In order that there may be no mistakes about the nature of his business the proprietor prints a picture of his shop showing a large electric sign in English and Japanese. While nominally devoted to the propagation of birth-control, an inspection of the catalogue leads to the impression that the merchant's real motive is to cater to baser instincts through the sale of mechanical contrivances which are illegal, although sold secretly in most countries. That the Japanese police authorities permit a merchant to operate such a shop and exploit it with electric signs and the open distribution of catalogues indicates an interesting change in national psychology from the time a few years ago when occidental birth-control advocates were mobbed upon their arrival in Japan. However, as stated, a perusal of Mr. Kaiseido's catalogue rather leaves the impression that his chief object is to commercialize on the baser human instincts. But there is a possibility of course that he only caters to foreign tourists.

ROOSEVELT ELIMINATES RACE BAR IN MANILA SCHOOL

THE *Manila Bulletin* on June 10 contained a report of a significant action by Governor-General Theodore Roosevelt of the Philippine Islands that might be read with considerable profit by those who have charge of public and private education in the International Settlement and French Concession at Shanghai. What happened was that Governor Roosevelt, by a stroke of the pen, eliminated what had come to be known as the "racial bar" that prevented children of Filipino parentage from attending the Central School in Manila. The Governor-General's executive order which was addressed to the secretary of public instruction read as follows:

"It has come to my attention that entrance to the Central School is based upon race, as set forth in a letter from the Director of Education, approved by the Acting Secretary of Public Instruction on May 3, 1918.

"I believe this to be fundamentally unsound. In the expenditure of public moneys no racial lines should be drawn. I therefore direct that these entrance qualifications be eliminated.

"The Central School's curriculum is correlated with the curricula of the schools in the United States. Its purpose is to serve children who are expecting to continue or terminate their studies in the United States. The entrance qualifications therefore should include a good command of English.

"I have been informed that the average cost per pupil in the schools in the Philippine Islands is Pesos 24 (G.$12.50), and that the cost per pupil in the Central School is Pesos 102 50. Please have a study made of this matter with the idea in the coming year of arranging a matriculation or tuition fee at the Central School of such amount that the cost per pupil therein may be approximately the same to the government as the cost per pupil in institutions of a similar grade in the Islands."

Governor Roosevelt's action created a considerable stir in Manila since the Central School has largely been attended by the children of American residents, or children of mixed blood. In future, according to Roosevelt's order, the school must be open to all children on an equal basis irrespective of race. The report stated that the total enrollment this year in Manila public schools is 70,000, which represents an increase of 2,000 over the previous year's enrollment. It was stated that considerable difficulty is being experienced in accommodating all children in the national school system of the Islands.

WHAT COMRADE STALIN THINKS OF THE UNITED STATES

EMIL LUDWIG, well-known German novelist and biographer recently interviewed Stalin, leading figure in the Soviet Government, regarding conditions in Russia and the general world situation. The interview, in the form of questions and answers recently appeared in one of the scientific journals published in Moscow and known as the *Bolshevik*. The following verbatim paragraphs referred to Mr. Ludwig's questions and Mr. Stalin's answers regarding the Soviet leader's attitude toward the United States:

Mr. Ludwig:—I observe in the Soviet Union an extraordinary respect for everything American, I might even say a veneration for everything American, that is to say for the land of dollars, for the most consistently capitalist country. And this feeling exists among the working class and relates not only to tractors and automobiles, but also to the Americans in general. How do you explain that?

Mr. Stalin:—You exaggerate. With us there is no special respect for everything America. But we respect the American matter-of-factness in everything, in technique, in literature, in life. We never forget that the United States is a capitalist country. But among the Americans there are many people who are sound and healthy both in mind and body, healthy in their whole approach to work. For this matter-of-factness, for this simplicity, we have sympathy. Although America is a highly developed capitalist country, customs in industry, the usages in production, there contain something of democracy, a thing which one cannot say of the old European capitalist countries, in which there still lives the spirit and rule of the feudal aristocracy.

Mr. Ludwig:—You have no idea how right you are.

Mr. Stalin:—How can one know, perhaps I have an idea. In spite of the fact that fedualism as a social order has long since been destroyed in Europe, considerable remnants of it still continue to live in the customs and habits. From the feudal circles there still come in technicians, specialists, scholars and writers, who bring feudal habits into industry, technique, science and literature. The feudal traditions are not completely destroyed. One cannot say this in America, which is a country of "free-colonizers," without big land-owners, without aristocrats. Hence the powerful and comparatively simple American customs in production. Our economists from the ranks of the workers who have been in America have immediately recognized this characteristic. They have related, not without certain agreeable surprise, that in the process of production in America one can only with difficulty outwardly distinguish the engineer from the worker. And of course they appreciate this. In Europe it is quite different——But if we speak of sympathy for any nation, or more correctly for the majority of any nation, we must speak of our sympathy for the Germans. Our feelings for the Americans cannot compared with this sympathy.....

Adventuring with Japanese Spies and Propagandists in Manchukuo

LAST fall two American correspondents who had been in Mukden for sometime were proceeding to Harbin. As they were boarding the train at the South Manchuria railway station at Mukden they happened to observe a Japanese in civilian attire standing in the crowd on the platform whom they previously had noticed loitering about the lobby of the Yamato hotel in Mukden. One of the correspondents pointed out the man and laughingly said, "There's our Japanese spy."

Thinking no more of the incident they boarded the train and proceeded on their journey, having previously arranged by telegraph for a berth on the Chinese-Eastern night express at Changchun, this city being the junction point of the Japanese government-controlled S. M. R. and the then Soviet-controlled C. E. R. Usually there is a brief delay at Changchun so the two American correspondents went aboard the C. E. R. sleeping car and saw that their baggage was placed in their compartment. They had been assigned two lower berths in a four-berth compartment, the two uppers being unoccupied, hence were used for storing the baggage. The correspondents then strolled about the station waiting for the departure of the train. When they went aboard they found that someone whose name did not appear on the slip outside the door had been assigned to one of the upper berths. Being curious about their guest the correspondents made inquiry of the Russian conductor or "provodnek" and were told that the passenger was a Japanese who had arrived late and who had asked to be placed in that particular compartment. Their curiosity now greatly increased, the correspondents asked the conductor to point out the man. It was the same Japanese in foreign attire whom they had noticed on the station platform at Mukden and in the lobby of the Yamato hotel.

They explained their suspicions to the Russian train conductor and asked him to transfer the Japanese spy to another compartment, informing him that while they had no objection to being followed by Japanese spies, they did not, however, desire to sleep in the same compartment with him. The Russian, who was a young Soviet citizen, immediately sensed the situation and finally succeeded in getting the Japanese spy out of the compartment and into another. This was the last the correspondents saw of this particular Japanese spy but when the correspondents returned to Mukden several days later one of them stopped off at Changchun, went to the Japanese telegraph office and sent the following message to Major Watari, the well known Japanese intelligence officer attached to Gen. Honjo's staff in Mukden,

"MAJOR WATARI
CARE YAMATO HOTEL
MUKDEN
"ARRIVING THREE O'CLOCK THIS AFTERNOON PLEASE NOTIFY MY SPY
(Name of correspondent)

Since all incoming and outgoing telegrams at all telegraph offices in Manchuria are carefully scrutinized by Japanese espionage officers, this message naturally created a considerable stir in Japanese military circles and ultimately resulted in this particular spy being transferred to other duties. Also there was a considerable coldness in Japanese military circles in respect to their treatment of this particular correspondent during the remainder of his stay in Manchuria. However, this was but one of many similar experiences which beset the paths of American and European newspapermen who flocked to Manchuria last fall to cover the Japanese intervention and ensuing military occupation of China's three northeastern provinces.

Also, it should be stated that the newspapermen were not the only visitors to Manchuria who were placed under surveillance by the Japanese military espionage system the ramifications of which seem to extend to every town and village of Manchuria and North China. Members of the League Commission headed by Lord Lytton tell of innumerable experiences, some being quite amusing. One of the members of the Commission was accompanied by his wife on the trip to Mukden. Both had been warned to be on the lookout for Japanese spies, hence the wife of this particular commissioner was equal to the occasion when she entered her room at the Yamato hotel quite unexpectedly one morning and found a strange Japanese, but wearing the coat of a hotel servant, industriously examining the papers and manuscripts which her husband had left on the desk in their room. The man was obviously confused and started to leave the room, but Mrs. Blank, pretending she thought the man was a servant exclaimed, "Boy, I have been ringing for you for an hour; I want you to re-arrange the furniture in our room." She then ordered the clumsily disguised spy, obviously an army officer to move the bed to the other side of the room and when that had been done she made him sweep out the bath-room and dust the furniture, following which she directed him to again change the position of the bed. Maintaining her position near the door and thus preventing the spy from escaping or sending for help, she kept him occupied for more than a half hour in menial tasks, following which she tipped him and let him go. She never saw that particular "servant" around the hotel again during her stay at the Yamato.

Considerable has appeared in the newspapers in the Far East recently regarding the complications of two foreign correspondents in Harbin, A. T. Steele representative of the *New York Times* and M. August Lindt, a Swiss citizen who represents the German *Allgemeine Zeitung*. The two correspondents made a seventeen day trip from Harbin into the wilds of North Manchuria where they interviewed Gen. Ma Chan-shan, commander of the Chinese loyalist forces who has been fighting the Japanese for many weeks. It will be remembered that Gen. Ma won international fame by opposing the Japanese at the Nonni river last fall, following which Gen. Ma made peace with the Japanese and was appointed Minister of War in the puppet Manchukuo government at

Changchun. After remaining at Changchun long enough to obtain all of Gen. Honjo's secret plans, Gen. Ma slipped away to his old headquarters at Taheiho-on-the-Amur where he proceeded to expose Japanese intrigue in a 5,000-word message broadcasted throughout the world and directed to the League of Nations at Geneva. Gen. Ma then launched a fresh drive on the Japanese forces and has been continuing the fight with varying fortunes since that time. While in Harbin, Lord Lytton tried to get in touch with Gen. Ma Chan-shan, but this move was blocked by Gen. Honjo and the officials of the Manchukuo administration.

According to a report from Harbin which appeared in the *North-China Daily News* on June 20 the Japanese suspected that correspondents Steele and Lindt had brought back to Harbin a secret message for the League Commission. This the correspondents denied, but Lindt was arrested by the Manchukuo police in Harbin who with the assistance of a Japanese military officer, subjected the Swiss correspondent to a six hour grilling. Mr. Steele was more fortunate and managed to reach the American consulate where the Consul-General, Mr. George Hanson, gave him protection and also supplied the Japanese with a detailed report of the correspondents' trip, which was for news purposes exclusively. According to the report the American and Swiss correspondents found conditions peaceful in the territory controlled by Gen. Ma but when they entered the area controlled by the Japanese and the Manchukuo militarists they were robbed and subjected to indignities. At latest reports both Steele and Lindt are staying at their respective consulates in Harbin while the Japanese newspapers in that city are printing extravangant articles accusing the correspondents and Mr. Hanson, the American Consul-General of "conniving in political activities prejudicial to the Manchukuo government." Also it was declared that both Steele and Lindt will be ordered to leave the territory of Manchukuo at once and "never return."

There is added significance in the Japanese action regarding Mr. Steele for prior to going to Manchuria to represent the *New York Times*, he was connected with the bureau of the *Associated Press* at Shanghai in which connection he assisted in exposing the Japanese wholesale murder of Chinese civilians in the Kiangwanchen district during the Sino-Japanese complications in this sector. Mr. Steele, who who is a Canadian by birth, came to China several months ago from Los Angeles where he had been connected with various newspapers. He is an experienced newspaperman.

Other foreign correspondents in Manchuria who recently have been subjected to indignities by the Japanese military, include Edward Hunter representative of Hearst's *International News*, who was also arrested in Harbin and charged with spreading "reactionary ideas" among the police and Dr. Bartels, editor of the German paper, *Deutsch-Chinesische Nachrichten*, published in Tientsin. What the charges against Dr. Bartels were was not stated, but a *Rengo* report from Mukden alleged that his "words and actions were considered detrimental" by the Japanese advisers connected with the Manchukuo regime at Changchun. As a result Dr. Bartels was threatened with arrest and was forced to leave Manchuria.

John Powell, correspondent for *The Chicago Tribune*, who spent several months in Manchuria also had several interesting and amusing experiences with the Japanese espionage system in Manchuria. In cooperation with Reginald Sweetland of the *Chicago Daily News* and D. C. Bess of the *United Press* a private interview was obtained with Yuan Chin-kai, venerable Chinese official who for a time was chairman of the Mukden "Peace and Order" committee which was et up by General Honjo following the Japanese occupation of Mukden last September. In this interview Yuan Chin-kai exposed in graphic manner Japanese military activities in Mukden and declared that his life was in danger due to Japanese suspicion. This interview could not be telegraphed from Mukden so the correspondents sent it by special courier

This probably is the first picture ever taken of a real Japanese military espionage officer or spy. It was snapped in Mukden by an American newspaper correspondent whom the spy was following. The picture was taken almost in front of the American Consulate-General in Mukden. According to report the spy was named Nakayama.

And this is the motor-car which Mr. Nakayama used to trail the American correspondent about the streets of Mukden. The car once belonged to a Chinese official in Mukden hut was confiscated (rather stolen) by the Japanese military when Gen. Honjo seized Mukden on the night of September 18 last.

to Peiping to be filed. As a result a Japanese espionage officer was assigned to watch Mr. Powell and for several weeks he was followed about Mukden, the Japanese spy often trailing along in another motor car, a car incidentally which the Japanese military authorities had confiscated from a former Chinese official in Mukden. On one occasion a number of correspondents were invited to dinner at the home of C. E. Christopherson, American Trade Commissioner. Noticing they were being followed by a Japanese spy the correspondents alighted from their car at a German hotel and then slipped out the back way and walked to the home of the Trade Commissioner which was nearby. During the meal, Mr. Christopherson's dog suddenly began to bark excitedly and looking out of the window the party observed the Japanese spy hastily scaling the brick wall only a few yards ahead of the German police hound.

On another occasion a correspondent who was proceeding in a taxicab from the Yamato hotel to the American consulate in Mukden observed himself being followed by another Japanese espionage officer who was trailing along about a block in the rear. When the correspondent reached the consulate he informed one of the Vice-Consuls of the incident so they decided to have some fun with the Japanese spy. Attiring himself in the hat and overcoat of the correspondent, the Vice-Consul got in the correspondent's car and drove out of the compound and down the street. Thinking it was the correspondent, the Japanese gave chase and was led on a thrilling drive for about an hour through the Mukden streets. While this was going on the correspondent walked to the Japanese consulate and informed Mr. K. Hayashi, the Consul-General of the incident. Mr. Hayashi was obviously embarrassed at the incident and remarked, "What blunderers." He promised to have the spy called off but said that some difficulty might be experienced "because the Japanese military officials are very hard to deal with."

The spy was not called off but the correspondent got even with this particular spy by taking his picture, a seemingly highly embarrassing experience for a Japanese espionage officer for various attempts were made to obtain the film, the correspondent's room at the hotel even being searched in the attempt. However, the correspondent succeeded in sending the film out to Peiping where it was developed. The resulting pictures of the Japanese spy and his stolen motor car are shown in connection with this article. The correspondent had one other highly amusing experience with the Japanese police and espionage system which is worth repeating. On the street known as "Naniwadari" leading from the Yamato hotel to the S. M. R. station there is a Japanese arms dealer who does a flourishing business in selling fire-arms, chiefly revolvers. One day the correspondent called on the Japanese arms dealer and negotiated for the purchase of a revolver. The dealer inquired as to why the correspondent desired to purchase a revolver. Leading the arms dealer to the door the correspondent pointed to a man standing across the street and explained to the arms-dealer that the man had been following him for a considerable time and fearing that he was a robber, the correspondent desired to purchase a gun for protective purposes. "Ah," exclaimed the arms dealer, "that is very serious matter....I must have police permission before selling gun." The correspondent did not obtain the gun!

Shortly after the beginning of the Sino-Japanese complications in Mukden the League of Nations dispatched observers to Mukden to report on the situation. One of the first to arrive on the scene was Mr. Eduardo Vazquez Ferrer, Spanish Consul-General at Shanghai who was ordered to Mukden to make an investigation. Mr. Ferrer was accompanied by his two daughters and all resided at the Yamato Hotel (owned and operated by the S. M. R.) for several weeks. When Mr. Ferrer arrived in Mukden he called on the Japanese Consul-General and obtained letters of introduction to Gen. Honjo and other Japanese officials, but although many promises were made, Mr. Ferrer was unable to see any of the Chinese officials who were functioning on the so-called "Peace and Order" committee which Gen. Honjo created immediately following the Mukden *coup d'etat*. Mr. Ferrer was particularly anxious to interview Yuan Chin-kai, nominal chairman of the committee but every time he called at Yuan's office he was informed by one of the Japanese "advisers" that Mr. Yuan "was too busy," or "was ill," or for some other reason could not be seen. As a last resort Mr. Ferrer appealed to the foreign newspaper correspondents and finally through the assistance of Chester Rowell, well known California publisher a private interview was arranged. It was done in this manner: Accompanied by another correspondent, Mr. Rowell left the hotel and went to a private garage owned by a Russian and rented a car. Then by arrangement they met Mr. Ferrer on the steps of the Yamato hotel and by driving rapidly they managed to elude the Japanese espionage officers who were kept stationed in the lobby and corridors of the hotel. After assuring themselves that they were not followed they proceeded to the home of a European missionary residing in the outskirts of Mukden. Here they were joined by Yuan Chin-kai and his secretary, this part of the plan having been arranged by another American who resides in Mukden. In this manner was Mr. Ferrer was enabled to obtain a first hand interview with a Chinese official in Mukden, said report being forwarded to the League early in October. This report, incidentally had much to do with the League's action in recommending the withdrawal of the Japanese troops into the S. M. R. Zone, which action however, has not yet been carried out.

Some days later, or to be exact, on October 17 the Japanese language edition of the *Osaka Mainichi* printed a story which translated into English was to the following effect,

> "Mr. Ferrer, Spanish Consul and representative of the League, was seen conversing with a girl (Mr. Ferrer's daughter) on the elevator. Soon after Mr. Ferrer went out on the steps of the hotel and suddenly got in a motor car which contained two American correspondents. They drove rapidly to the American Consulate where they had a secret conference with Mr. Vincent, the American consul and after returning to the hotel, Mr. Ferrer sent a long important coded telegram to the League. Mr. Ferrer is the riddle between Mukden and Geneva."

Space forbids an extended exposition of the activities of the Japanese espionage system in Manchuria, which was especially noticable in connection with the work of the foreign correspondents and League observers, but one other

incident is worth mentioning. The head of one of the leading foreign press services in China was visiting Manchuria and was staying at the Yamato hotel. One day he was sitting in one of the alcoves off the main corridor talking to an official of one of the foreign consulates in Mukden. Glancing over his shoulder one of the men asked whether they could be overheard by any of the Japanese spies who were loitering in the vicinity. The other replied in the negative, but suggested the possibility that the Japanese probably had a "detecto-phone" or secret telephone concealed in the alcove. This prompted one of the men to look under the seat of the sofa and there it was. Reaching under the sofa he dislodged the instrument from its connecting wires and threw it out in the hall of the corridor where it was later picked up by a servant much to the amusement of the hotel guests and embarrassment of the Japanese manager of the hotel.

One day shortly following the Japanese occupation of Mukden a correspondent was looking through a collection of pictures in a Japanese shop on Naniwadari street in the Japanese concession in Mukden and noticed several snap-shots of Japanese in civilian attire bearing arms, some of the pictures having been snapped by flash-light in the evening. Inquiring of the shop-keeper it was learned that these were pictures of Japanese "reservists" who participated in the occupation of Mukden on the fateful night of September 18. His curiosity aroused, the correspondent visited other shops and succeeded in obtaining a considerable number of such pictures, some showing gangs of Japanese "plain-clothes" men headed by officers in uniform, one picture even showing such a gang with one man carrying a large Japanese flag. These pictures largely cleared up the mystery of Gen. Honjo's ability to "capture" Mukden with a small military force, for what actually occurred was that Mukden for several days previously had been filled with Japanese military men disguised in civilian attire. These men were "planted" at strategic points about the city, hence when the orders were issued, there was a sudden mobilization of armed men who were able to occupy the entire city without much trouble. The Chinese, being unaware of the plot were completely overwhelmed and unable to put up effective resistence. Wounded Chinese soldiers in the Mukden hospitals made affidavits that many of the strategic places about the city were occupied by Japanese wearing foreign style civilian attire "who seemed to rise out of the ground."

The correspondent took these pictures to a Russian-owned photograph shop in Mukden and had prints made for despatching to newspapers abroad and also to newspapers in other parts of China. He mailed two letters containing some of the pictures at the Mukden central post office late one evening. At 8 o'clock the next morning one of the Chinese employees of the post office went to one of the foreign consulates in Mukden and asked the consul to warn the correspondent that his letters had been opened by the Japanese censors stationed in the post office. Before noon of that day a squad of Japanese gendarmes visited the Russian photographer and searched the premises from top to bottom, apparently trying to find the plates, which fortunately had been taken away by the correspondent. Two days later one of the Japanese military officers on Honjo's staff inquired of the correspondent where he had obtained the pictures of the "plain-clothes" men. The Japanese officer was flabbergasted when he was informed that the pictures had been purchased in photograph shops on Naniwadari street. What had happened was that the energetic Japanese newspaper photographers had snapped the pictures on the night of the Mukden incident and seeing a chance to pick up a little extra money had placed extra copies on sale in the shops. It had been done without the knowledge of the military or the genadrmes, but the reader may be assured that no further prints of this character were sold to the public. They disappeared from the shops as though by magic and shortly afterward the Japanese military propagandists issued an "explanation" to the effect that a "few Japanese reservists" had assisted the military on the night of Sept. 18 by holding certain strategic points *after they had been captured by the Army.*"

One thing that must be said to the credit (or discredit) of the Japanese is that they are almost 100-percent loyal for it is seldom indeed that one finds a Japanese who will openly or even secretly criticise his own people or their system of military dominated government. However, the unexpected sometimes happens. Once the writer visited the Japanese telegraph office (also post-office) in Dairen to obtain a press-message authorization card which newspapermen must have in order to be able to send messages. As I was walking back to the hotel I was overtaken by a hatless and also breathless Japanese clerk who had followed me from the telegraph office. In broken English he told me he had read most of my messages which had passed through the Dairen office and sympathized with the point of view expressed. "But the military is very angry and may try to kill you." Needless to say I didn't sleep very well that night at the Yamato hotel, nor on the two succeeding nights spent on a Japanese ship bound down the coast to Shanghai, but nothing happened. A French correspondent who spent considerable time in Manchuria last fall and who was in the confidence of the Japanese military informed the writer that he had been told that two or three foreign correspondents, one of them a representative of German newspapers, had been marked for assassination by Japanese "ronin," but fortunately the threat was not carried out.

Before leaving the subject something should be said about the efforts of Japanese military agents and propagandists to discredit those whose views they disapproved of. While the League Commission was in Harbin the Japanese newspapers printed in the Chinese and Russian langauage printed most lurid reports about the alleged activies of members of the Commission. One report alleged that Russian women of easy-virtue were accustomed to visiting the hotel in the evening and spending the night with members of the Commission. The whole thing was of course pure fakery as also was the report printed in Harbin the day of the Commission's departure that the League group "had been ordered to leave Manchuria by Gen. Honjo," but since Lord Lytton was not in a position to deny these underhanded allegations, they probably were believed by many who read the reports in the newspapers.

While Japanese espionage reports are usually kept strictly secret and carefully filed away in the archives of the General Staff in Tokyo, occasionally some of them get into the Japanese newspapers.

One such incident occurred last October in the *Osaka Ma,inichi* the report being picked up and translated by one of the foreign consulates in Dairen, the translation being to the following effect,

> "At noon on October 6, Consul ————appeared at the hotel and knocked at the door of room No. 214 which was occupied by Col. ————, military attache of a certain nation. Col. ———— opened the door to admit the consul after which the door was closed and locked. They discussed the Chinchow bombing for more than an hour, following which the military attache sent a coded message to his legation in Peiping...."

During one of the recent sessions of the Imperial Japanese Diet a "proletarian" member made inquiry about a certain "secret military fund" amounting to Yen 6,500,000 or about G.$3,250,000 in U. S. currency at normal rates of exchange. Aside from explaining that the money had been expended for "useful work" nothing further was advanced by the War Minister, but this inquiry and resulting reply were sufficient to give some indication of the amount of money which the Japanese military authorities spend on espionage and propaganda about the world. And this, of course, is not all because the Japanese Foreign Office also has at its disposal a large fund for similar use. Manchuria and China generally have for many years been the object of this intensive military espionage work, the Japanese Army maintaining so-called "resident" officers in practically every town and city. These officers, disguised as barbers, hotel clerks, small-merchants, or what not, devote their time to spying on the activities of the Chinese as well as foreigners who may reside in or visit the locality.

The present situation prevailing in Manchuria constitutes the culmination of many years of secret military preparation on the part of the Tokyo General Staff which carefully prepared the way for the seizure of Chinese territory. The chief of this vast military espionage system for many years was a Col. Doihara, member of the General Staff who was largely responsible for the plot that put the Japanese Army in possession of Mukden last September. Recently it was reported that Col. Doihara had over-reached himself and lost face because of something that happened in Harbin and in consequence was transferred back to Japan. One wonders whether the Japanese people will not shortly come to a realization that the entire Japanese military machine has over-reached itself and call off the entire adventure!

Will China Declare War on Manchukuo?

THE time has arrived when the Chinese people and their political and military leaders must decide what they intend to do about Manchuria. No longer can this question be permitted to drift for Japan is on the point of recognizing the puppet state of Manchukuo and worse is conniving in Manchukuo's seizure of the Manchurian Customs administration and postal service. The salt revenue department in Manchuria has already been taken over as also have been the various railways and other government services. Chinese and Manchu officials of the Manchukuo state such as the communications and foreign ministers, feeling the insecurity of their positions are pressing Japan for recognition. Baron Uchida, president of the Japanese government-controlled South Manchuria Railway, always a willing tool of the Japanese war-lords is in Tokyo pressing for recognition of Manchukuo. According to report, Baron Uchida has been offered the post of Tokyo foreign minister on condition that he will bring about recognition. Both houses of the Imperial Diet have unanimously passed resolutions recommending to the Cabinet and Emperor immediate recognition. And of further direct bearing on the question, the League Commission following its first-hand investigation of Manchuria is departing shortly for Tokyo and Lord Lytton undoubtedly is desirous of taking with him China's minimum conditions for a settlement of the question.

China is therefore faced with the serious problem of making up her mind as to what she intends to do about Manchuria. And while there has been no official announcement containing concrete proposals it is no secret that Manchuria has constituted the chief subject of discussion at recent conferences of high officials which have been held in Nanking, Shanghai, Kuling and Peiping. A report through the official *Kuo Min* service which appeared in the local newspapers on Tuesday morning contained the following reference to the decision which apparently has been made as a result of the various conferences:

> "With reference to the Sino-Japanese situation, President Wang intimated that as a result of the Kuling conference, the government has decided to adhere to the policy it has so far consistently pursued. At the same time, certain minimum conditions, upon which the government would insist in any settlement of the Manchurian question, were also determined upon.
>
> "While such conditions can not at present be disclosed, President Wang gave the assurance however that this statement is not made with the intention of shirking responsibility and that such minimum conditions are not without some definite criterion. As an illustration, President Wang cited the example of the Shanghai agreement of May 5, which, though not completely satisfactory, was however the best that could be obtained under the circumstances. He intimated that diplomatic methods in accordance with that precedent would be pursued."

However, an earlier statement by Wang Ching-wei, head of the Executive Yuan was more specific in that he declared that the National Government was prepared "to repudiate the puppet organization under any and all circumstances and regardless of any and all pretexts that may be used by Japan and that it is equally determined not be relax its efforts to recover the lost territory." In this connection *Kuo Min* on June 19 repeated rumors which were in circulation in Nanking that as a counter-move to Japan's recognition of the puppet Manchukuo, "the National Government would issue a punitive mandate against the rebels in Manchuria," and while it was not expected that a military expedition would be launched immediately, the issuance of such a mandate was considered necessary in order to reaffirm the repeatedly announced policy of the government toward the rebel organization.

The seriousness of Japan's impending moves in Manchuria upon China's national well-being was indicated in a long statement by T. V. Soong,

Finance Minister, referring to Japan's threatened seizure of the Manchurian customs administration. Owing to the bearing of Japan's action upon China's national finances, Mr. Soong's statement as issued through *Reuter,* is reproduced in full:

"Remittances to the Inspector-General from Harbin, Newchwang and Antung have been forcibly stopped since March 28, April 16 and April 19, respectively.

"The latest developments have made the situation even more critical. Reports from the Customs commissioners in Manchuria show that the puppet government is now in the process of appropriating the revenues detained in those ports and is extending its encroachment to Dairen by claiming the revenue in that port and 'instructing' the Customs commissioners and the depository banks (the Bank of China and the Yokohama Specie Bank) to stop remittances to the Inspector-General.

"The depository banks, which are under the domination of the Japanese authorities, have responded by refusing to make remittances since June 7.

"This action is all the more grave and significant because the Customs revenue collected at Dairen (which has so far been intact) forms more than half of the entire Manchurian collection; because Dairen is Chinese territory leased to Japan and because the Customs there was established by an international agreement made between China and Japan in 1907.

"Few would take seriously the Japanese contention that the so-called Manchukuo authorities were acting independently of Japan when they interfered with the Customs at Antung, Harbin and Newchwang. But at Dairen there cannot be even the shadow of an excuse for Japan to escape responsibility since that port is leased territory entirely under Japan's control and any interference with the Customs there constitutes a direct violation by Japan of a solemn international agreement.

"The total Customs revenue of the Manchurian ports on the basis of the collections in the last five years average 15 per cent. of the entire Customs revenue. In 1931 the total Manchuria revenue was 26,078,000 Haikwan taels, or $39,117,000.

"The flagrant breach of international agreements and undertakings by Japan and her puppets is of the gravest concern to the world. If it is allowed to go unchallenged, it will establish a vicious precedent and will mean the beginning of the end of the Maritime Customs, which has been the mainstay of Chinese credit at home and abroad.

"Not only are the principal domestic and foreign loans and indemnity secured on the Customs, but the Chinese Government has undertaken that loans in arrears, including many of the railway loans, will be pledged on a portion of the Customs surplus.

"In addition, the loss of the Manchurian Customs revenue will throw various obligations secured on the Customs revenue upon other ports in China.

"In the present difficult economic situation the Customs revenue averages about $310,000,000 annually for all China, including Manchuria, and of this sum more than $250,000,000 is required for the payment of Customs-secured obligations and for Customs service charges.

"The appalling effect of a monetary loss of $39,000,000 from the total revenue is a calamity impossible to face.

"The seizure of revenue will also have as an inevitable consequence the replacement of the entire Customs in Manchuria by a puppet installation, the region will be economically severed from the rest of China and to all intents and purposes will become a part of Japan, as in the case of Korea.

"The existing unfavorable balance of trade against China will be dangerously accentuated since Manchuria is about the only important region in China that has an export surplus.

"In a formal dispatch to the Commissioner of Customs at Dairen, the so-called Manchukuo Finance Minister foreshadows that he will 'take self-protective measures such as may render maintenance of the integrity and international *status quo* of the Customs Administration out of the question.'

"By unparalleled sacrifices the National Government, for the first time since the Republic was established, has succeeded in keeping expenditure within the bounds of income. The seizure of Customs revenue, along with the already accomplished seizure of the entire salt revenue in Manchuria (including the foreign loans quota) constitutes a set-back the gravity of which cannot be overestimated.

"If the Maritime Customs, which has been the mainstay of China's finances, is broken up a financial catastrophe of the first magnitude will occur, demoralizing the Chinese market with consequent world-wide repercussions.

"The friendly Powers are interested in the integrity of the Maritime Customs, which is the one prop against financial chaos. They are interested in the Customs as security for their loans and loans in arrears. They are committed to the Open Door policy in Manchuria. They have solemnly guaranteed the territorial and administrative integrity of China.

"In a world already darkened by economic depression, surely they cannot regard with indifference the callous destruction of the solvency of four hundred million people."

Reports by other high officials such as Dr. Lo Wen-kan, Minister of Foreign Affairs and Dr. V. K. Wellington Koo, assessor on the League Commission, have also indicated a realization of the crisis and the necessity for definite action. As a matter of fact it was Dr. Koo who brought the matter to the Government's attention for it was a direct result of his visit to Nanking that the conference with Gen. Chiang Kai-shek was held at Kuling and as a result of this meeting most of Nanking officialdom proceeded immediately to Peiping for a conference with Marshal Chang Hsueh-liang and Lord Lytton, chairman of the League Commission. Other officials holding minor posts also have been emphatic in their declarations; for example, Huang Nai-shu, director-general of posts was quoted in a *Central New Agency* dispatch on June 21 as declaring that China would withdraw all postal officials from Manchuria in the event Manchukuo attempted to take over the Manchurian postal administration which heretofore has brought in an annual revenue of more than $2,000,000 to the central government.

Japan's obvious attempt to split off the three northeastern provinces comprising a territory equivalent to a half-dozen central provinces, but all the time hiding behind the puppet state of Manchukuo, has naturally aroused the intense animosities of all Chinese. An example of this feeling was shown in Wang Ching-wei's statement on June 17 following the passage of the resolution in the Japanese Diet urging recognition. Dr. Wang declared,

"In fact Manchukuo is merely a puppet Government and this is already known to the world. It is unnecessary for Japan's recognition to bring the matter again to the attention of the nations. The Chinese Government has repeatedly declared in the past that it will never recognize such an illegal institution. Japan now discards her final mask and openly recognizes this rebel Government.

"Such action not only represents open agression against China's sovereign right but also destroys completely the effectiveness of the League Covenant and the Nine-Power Treaty.

"All the structures which were erected after the World War for the preservation of international peace, are now being undermined by Japan's action. Her action also will deal the death blow to the moral strength of peace efforts in the future.

"For self preservation and for doing her share in upholding the sanctity of world peace structures, China is determined to oppose at any cost, such action on the part of Japan.

"For any consequences arising from such opposition Japan must be held responsible."

"Japan is destroying the League Covenant and the Nine-Power Treaty, to both of which she is a signatory Power. The Chinese Government, aside from issuing a

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The Sino-Japanese War at Shanghai: A Retrospect

BY HOH CHIH-HSIANG

THE Shanghai War, more technically known as the Sino-Japanese Armed Conflict at Shanghai, had been fought and concluded, but the war in its entirety seems to have never been fully described. Before it fades from our memory, let us once more take a close look at it in retrospection and see what actually happened during the one month and four days when the war in its most horrible manner raged right before our eyes. This article purports to be an attempt at a chronological review of the war from the beginning up to the retirement of the Chinese forces from the Shanghai area, based upon information gathered direct from a number of commanding officers and the Staff Office of the 19th Route Army which was responsible for the planning and direction of the actual operations.

Unduly elated with a sense of joy and pride following their "surprise" victories gained over non-combatants in Manchuria and exasperated with the sharp Chinese retaliation of intense boycott against Japanese merchandise in Central China, the Japanese at Shanghai, especially the official circle and the Ronin category, had long been anxious "to give a sound lesson" to the Chinese here, so to speak. Somewhat embarassed with the lack of a plausible pretext, the Japanese forthwith set out to seek trouble. First, a party of Japanese monks ventured into Chinese territory, chanting the Japanese National Anthem in ringing voice and insulting the already outraged Chinese. Then, a party of Japanese Ronins, eager to precipitate a crisis, set fire to the San Yue Towel Factory on Jan. 20 and got into a serious row with the Chinese and the Shanghai Municipal Police. Determining to capitalise the Anti-Japanese boycott as an excuse, the Japanese Consul-General here lodged a strong protest with the Mayor of Greater Shanghai Municipality, demanding the immediate dissolution of the Anti-Japanese National Salvation Association and the suppression of the boycott movement. Excitement was intense, while events moved with lightning rapidity. To avoid an inevitable military situation at the eleventh hour, the Mayor of Greater Shanghai Municipality swallowed the bitter pill and hastened to comply with the humiliating demands in toto. However, despite the fact that the Japanese Consul-General considered the action of the Chinese Authorities as satisfactory, the Japanese Naval Authorities here demanded the complete removal of Chinese garrison forces from Chapei and not even allowing time to the Chinese authorities to be sufficiently informed, forthwith took active military action. This occurred shortly after 11.30 o'clock in the night of January 28, when the Japanese launched their long planned attack on Chapei. The first shot that rent an otherwise quiet sky in that fateful night precipitated the catastrophe which ravaged Shanghai for fully thirty-four days, entailing enormous loss of human lives and destruction of properties.

Prior to the outbreak of the Chapei Affair, investigation revealed that the Japanese had a force of 6,000 marines, 3,000 reserves composed of local Japanese merchants and Ronins and about 50 airplanes and ten armored cars, all under the command of the Japanese Rear-Admiral Shiozawa. The Chinese at that time had about one Division for garrison duty in Shanghai, the 78th Division of the 19th Route Army, the 155th Brigade of which was garrisoning Lung-hwa, Nantao, Chenju, while the 156th Brigade was charged with defense of Chapei, Woosung and Kiangwan. Chapei, which rose into prominence as the scene of the initial encounter, was then garrisoned by the 6th Regiment of 156th Brigade of the 78th Division under command of Col. Chang Chun-sung, a graduate of the 1st Class of the Whampoa Military Officers Academy. Since the San Yue Towel Factory Incident on Jan. 20, Col. Chang had had apprehensions of Japanese military moves and in order to avoid being taken by surprise, made haste to take precautionary measures. He laid out two defence lines in Chapei and erected few barbed-wire and sandbag barricades at important road intersections in preparation for eventualities. About 11.30 o'clock in the night of Jan. 28, Col. Chang suddenly received a telephone call from Gen. Tai Chi, Garrison Commander of Shanghai-Woosung Area, informing him that the Japanese decided to occupy Chapei and to start military action immediately and instructing him to take special precautions. As soon as Gen. Tai's instructions were received Col. Chang ordered the mobilization of the entire Regiment and hastened to dispatch men to the front to take up their positions. The principal points of garrison included Jukong Road, West Paoshing Road, Hongkew Creek Bridge, Tientungan Road and Kiangwan Road. Hardly had the men reached their posts than fighting began, when a force of 2,000 Japanese marines commenced a furious attack on Chapei under the cover of armored cars. The attack was so furious and fierce that the police guards at the Tientungan Station were utterly overwhelmed and swept away before their advance. Seeing the critical situation, the defense units of the 6th Regiment at once pushed to the front and offered stubborn resistance, fighting against the Japanese advance with machine guns and hand-grenades. About 1.40 a.m. on January 29, another large Japanese detachment furiously assaulted the Chinese position at Canton Street and West Paoshing Road in Chapei and after considerable fighting and many futile attempts at penetration of the Chinese Line, the Japanese finally gave up the attempt and retired behind their defense line, sustaining over 200 casualties. The night was advancing towards dawn as the fighting progressed. Because of the heavy casualties and lack of reinforcements, the Chinese did not attempt to take offensive actions, despite the retirement of the Japanese troops. The first Japanese airplane appeared on the Shanghai horizon shortly after 4 a.m. on Jan. 29 and after a brief observation began to bombard the Chinese defense works from the air. The Chinese patiently sustained the attack and remained on the defensive. At 5 a.m., Gen. Wen Chao-wan, Commander of 155th Brigade of the 78th Division, who later achieved fame as the heroic defender of Woosung, arrived at Chapei with the 5th Regiment of the same Division and one anti-Aircraft Gun Squad of the 88th Division to reinforce the Chapei defence. Just at that moment, the Japanese opened another general attack at all points along the Chapei front. The fighting was most serious at Jukong Road and West Paoshing Road sector, where the Chinese, freshly reinforced, resorted to offensive actions and pushed their advance into the Japanese line, succeeding in crossing the Railway tracks and penetrating as far as Canton Street. The main body of the Japanese attacking force, surprised by this unexpected action on the part of the Chinese, hastely retreated into North Szechuen Road, leaving only a remnant detachment at Canton Street to engage the advancing Chinese. These remnants, finding themselves outnumbered and unable to cope with the Chinese onslaught, began to set fire to the civilian houses on Canton Street and its vicinity. In a short while, all was ablaze in the district and many houses collapsed. The Chinese attacking unit which ventured into the Canton Street, in fear of being cut from the rear, halted their advance and retired to their previous positions. The sky was dawning at that time. The Japanese, exasperated by failure of street warfare of the previous night in occupying Chapei, brought their air force into full play. Over a dozen of airplanes flew over to Chapei and conducted a thorough and systemtic air raid, bombarding the Chinese defenses and civilian houses and killing many innocent Chinese civilians who had not had time to escape. For the first time, the Chinese anti-aircraft guns got into action in Chapei and barked skyward, sending a continuous thrill to the Japanese aircraft above. It is said that several direct hits were registered, but the planes succeeded in escaping. As the dawn advanced into broad-daylight, the enemy renewed a general attack, this time bringing into play the field artillery, assisted in the same time by air bombers. The Administration Building of the Shanghai-Nanking Railway and two educational institutions, the Commercial Press Works and the Oriental Library formed the special targets of attack. Two armored trains at the Station were also bombed and wrecked. While thus engaging the attention of the Chinese force from the above, the enemy marine units attempted to force their way into the Chinese line, covering their advance by armored cars. Fighting raged violently along Paoshan Road and Jukong Road with the fortune of the engagement hanging in balance. But despite the heavy firing, the Chinese defense units offered stiffest resistence to the attacking Japanese and succeeded in frustrating all their attempts at advance. Meanwhile, the Chinese reinforcements began to arrive in small detachments, as they had been hurried from rear positions. It was raining at the that time and because of inclement weather, the Japanese airplanes ceased being active and the attacks became less frequent and furious than a short time previously. Although sporadic fighting continued throughout the whole afternoon and night on Jan. 29, no serious developments occurred in the situation with the Chinese defense continuing to hold their own.

On Jan. 30, the local foreign Consular Body offered friendly offices at meditiation and requested both of the

(*Continued on page 147*)

"Kiss My Feet"

(People's Tribune, June 15)

This is not a story, but an account ot a true happening. The signing of the Sino-Japanese Armistice Agreement on May 5, 1932, and the gradual withdrawal of Japanese troops from the suburban districts of Shanghai, made it possible for Chinese journalists to visit such places as Chenju, Tazang, Kiangwan, Woosung, for the purpose of finding out for themselves the ravages of war caused by the Japanese in these localities. So, on May 18, I also went to the Kiangwan District just one day after the Japanese invaders had evacuated that region. Arriving at Kiangwan, I left my motor car behind, and walked through the charred ruins of the formerly prosperous village. The last time I saw it, in the autumn of last year, it was clean and peaceful, with its race-course and its numerous buildings and busy inhabitants. What a piteous sight this dead village now presents—here and there, dilapidated houses standing upright as skeletons in ominous looking streets!

As I was walking along, I came across an aged farmer, about sixty years old, sitting on a heap of debris, staring with his vague and haunted eyes at a ruined cottage which apparently was his home not very long ago. His hair was white and his cheeks were hollow. His clothes, shabby and dirty, looked too large for his frail limbs and shrunken figure. One guessed at once that this poor old man must have been eaten up, as it were by a certain grief, which sapped his flesh and drank his blood, consuming his very life.

What grief lurked behind the forehead of this wretched man? Why did he sit here? Who was he? These were questions which instantly came to my mind and demanded a satisfactory answer, for just the look of him was enough to awaken curiosity, pity and pain.

I ventured to talk to him, but he was silent, regarding me with the same fixed and vague eyes which stared at the ruined cottage some time ago. Was he dreaming? Had he lost his memory? While I was brooding over these queries, a villager approached me, and, noticing my curiosity, gave me the following account of the wretched old man:

The Old Man's Story

The old man's name was Liang. He was a widower and had a son thirty years old, with whom he lived and on whom he depended for his bowl of rice. Apart from the cottage, now in ruins, Old Liang had a few acres of fertile land which, by his son's labors, provided him with all the rice and vegetables he needed year after year. From time to time the son did also such odd jobs as could be found and brought home some cash money with which to buy a piece or two of meat, a luxury they seldom could afford to have. In short they lived a contented, even if simple, life, until the Japanese marines launched their treacherous attack on Chapei on January 28 last.

Kiangwan Village was the Chinese first line of defense. Its thousands of inhabitants had fled therefrom in great haste bringing with them such belongings only as they could carry. Farmer Liang and his son, unwilling to give up the little they could call their own in this world, however, decided to stay where they were, fully prepared to run the risk of death. With nothing to do and accustomed to hard manual labor, Young Liang, during the day lent to Chinese soldiers a helping hand with the digging of trenches. His father, weakened by old age, could not do the laborious task, even with the best of intentions. However, he did help the soldiers in cooking rice and boiling water.

The Japanese bombardments usually took place at night. Explosions thundered the silent, dark sky once every five or ten minutes, and with the despatch of each shell more houses and more lives were destroyed. At first the terrible detonations of powder and bombs frightened the two dwellers of the little solitary cottage; but as the war went on, they gradually got used to them. So whenever the Japanese started afresh to bombard the village, father and son just shrugged their shoulders and said, "There they are at it again!" Their cottage was once struck by some bullets; their persons were, however, unhurt.

On March 3 the Chinese defenders of Kiangwan Village were ordered to retreat for strategical reasons. The order was carried out so all of a sudden that farmer Liang and his son were not forewarned. Getting up on March 4, they were both surprised to find that the first line of defense was abandoned. Fear seized them at once. While trembling, they heard the sound of marching feet. They squatted flat on the ground and glued their ears to mother earth in order to hear better. It was no mistake; the Japanese were coming! There was no escape now. Both got up and stood still.

Bang! opened the door and in came five Japanese regulars in high boots and one so-called *ronin*, all armed with muskets and bayonets. The *ronin* must have been a Japanese merchant in Shanghai for some time, for after consulting the others in Japanese he began to talk in Shanghai dialect to the embarrassed inmates of the cottage.

"Who are you?" said he to the old man.

"A farmer, just a farmer."

"And he?" asked the armed merchant.

"He—my son, my son."

"Son? Maybe you mean a soldier in plain clothes?"

"No, no! Peaceful citizens we are both," said the old man.

The Japanese muttered something in their own tongue, and instantly afterwards they seized the two men by the arms and subjected them to a search. Nothing suspicious was found on their persons. The two little rooms in the cottage were then scrutinized, but likewise nothing objectionable was discovered. Then the son was ordered by one of the regulars, who spoke very broken Chinese, to bring him some water. Either the order was not heard or it was misunderstood, for the young man did not move. His inaction was promptly rewarded with a blow of the fist behind the ear. He staggered. At once the Japanese intruders raised their rifles, ready to shoot. The frightened father quickly knelt down on both legs and begged for mercy, kow-towing the while. The Japanese laughed and, being amused by the old man's humility, lowered their weapons one after the other.

"All right, we spare the life of this dirty swine for the moment," said the Chinese-speaking Japanese *ronin* to the prostrate father, "but tell him to pay more attention to the orders he receives in the future."

From that time onward, life for the two captives meant nothing but misery and pain. Their little cottage was converted into a hay storage and a temporary camp for the Japanese soldiers, who ordered them about as slaves. Any show of lack of enthusiasm in carrying out the commands of the intruders called forth severe blows and kicks for both the aged father and the young son who, unable to retaliate and cowed by the brutality of the invaders, submitted to their ill treatment as best they could. Often they had to suffer hunger; always they had to suffer cold, being exposed to wind and rain in the stack outside the cottage where they had to sleep. Escape was impossible, since all over Kiangwan barbed wires had been erected and trenches built, all closely guarded.

Instead of Kissing, He Bit

Then came the tenth of May. It was warm and rainy. Farmer Liang and son were sweeping and tidying up inside the cottage, when they heard foot-steps thudding in the mud. Six soldiers, off duty, had returned to their sleeping quarters. They came in, all drenched to the skin, their high boots covered with mud. Having laid down their arms, they opened a bottle of *saki* and began to drink to each other's health. They talked, they laughed, they drank. Then one of them, feeling uncomfortable in the wet foot-wear, took off his boots. This seemed to the others a very brilliant idea. They sat down and called to the younger Liang, "Here, China-dog you!" The young man instantly came forward. One soldier who spoke better broken Chinese than the others ordered him to pull off their boots, which he did docilely. Thus relieved, the soldiers felt more hilarious and drank more *saki*. The more they drank, the more hilarious they became. They talked, they giggled, they laughed. Finally, they took off their trousers and pulled off their socks, each displaying a pair of hairy legs and two dirty feet. One muttered something in Japanese, which was no sooner uttered than following by a loud clapping of hands and a big roar of laughter. They seated themselves in a row on a wooden bed, each putting his legs forward.

"Here, China-dog!" said the Chinese-speaking soldier.

"What do you want?" said the young man timidly.

"What we want? Nothing! Kneel down."

The poor youth had no alternative; he knelt down.

"Come nearer, and kiss my feet! And all ours!

Thereupon the Japanese soldiers laughed afresh. The young man was hesitant. Kissing their feet? What indignity! Kissing their hongkong feet? How stinking! For a few seconds he did not move. He then got a blow from one soldier, a kick from another, a heavy slap on the face from a third. Blood was streaming from the corners of his biting lips. His heart was aflame. He wanted to strike back. But what would become of his father then? He knelt still and quiet.

"Come and kiss quick."

Seeing what happened, the old father came forward and again begged for mercy for his son. He even offered to do the job on behalf of the latter. The Japanese were uncomprising. They threatened to kill the son if he still persisted in his refusal.

"Go, my good son! For my sake, go," whispered the father, tears rushing to his eyes.

The young man hesitated a few more seconds; then he bowed low and kissed the six pairs of smelly feet one by one. When he finished the ordeal, his face was white with suppressed rage, his lips pressed tight on account of unvented anger. He stood up and remained silent and motionless.

"Don't go yet. Kiss this—here," said one of the soldiers, pointing at a huge corn on the fifth toe of his right foot. Another hearty laugh followed.

The young man's eyes sparkled with fire. Sweat came to his brows. His face reddened. Then with the speed of lightning he stooped, seized that outstretching foot and put the little toe into his month. An agonized "Ah!" immediately followed. The young man's mouth was again streaming with blood. But this time it was not his own blood. He had bitten off the little toe which he was ordered only to kiss!

With their bayonets in hands, the surprised soldiers, unprepared for this sudden revolt, began to stab the foot-kisser, the toe-biter. The yelling father came to his son's succor in a desperate attempt to save his life, but was instantly knocked down unconscious with the butt-end of a rifle.

When the old man recovered consciousness, he found the cottage empty and his son lying on his back, his breast pierced with knife-thrusts. Blood covered his whole corpse. The weeping father held out his withered hands and uttered a long monotonous plaint—heart-rending, terrible.

The returning Japanese soldiers took away the dead body and drove away the old man who roamed about like a half lunatic, uncared for and uncaring. It was a miracle that the Japanese did not kill him too. And that would have been better for him.

Here the villager's account ended. At first, wretched old Liang used to relate and repeat what had happened to his son to every person he met, so my informant told me; but apparently the bereaved father was now too overwhelmed by grief to speak any more. And as my eyes again fell upon the poor farmer sitting on that heap of debris and gazing with vague and haunted eyes, I was so moved by horror and pity that I could no longer stand the ghastly sight and fled.

Chinese Chamber Asks $1,600,000,000 War Damages

The Shanghai Chinese Chamber of Commerce has asked for the payment of $1,600,000,000 by Japan as compensation for losses sustained during the recent hostilities in Chapei, Woosung, Kiangwan and Tazango. A resolution to the National Government to the above effect was adopted at the annual meeting of the Chamber June 15.

According to O. K. Yui, chief secretary of the Municipality of Greater Shanghai, the Chinese national government will open negotiations regarding war compensation with Japan as soon as a report on war losses in the Shanghai area has been completed.

In the meantime the National Government, according to a telegram appearing in the *China Times*, local vernacular daily, has directed the Ministry of Finance to appropriate a sum to be used for the relief of sufferers in the Shanghai war area.

Government Insists that Civil Servants Must Continue Sacrifices

A Nanking message states that the National Government will continue to enforce the program of rigid retrenchment introduced as a result of the Japanese invasion of Shanghai on January 28. Although new measures to cope with the financial difficulties are reported to have been decided upon, it is considered imperative to keep administrative expenditure down to the lowest possible limit in order to meet the heavy demand upon the national treasury which the bandit-suppression campaign entails. All civil service officials will therefore have to continue to make the drastic personal sacrifices which rendered it possible for the Government to carry on during the trying period of the Shanghai hostilities without having recourse to further borrowing.

Round-Table-Conference Idea Discussed in the House of Commons

Geoffry Mander, National Liberal, put a long question to Capt. R. A. Eden, Parliamentary Under Secretary of State for Foreign Affairs, in the House of Commons June 15, the gist of which was a request that the Government would not allow the inclusion of matters in an agenda of the Round-Table-Conference, not immediately connected with the restoration of peace in Shanghai. Mr. Mander suggested that all other issues should be deferred for discussion in Geneva, in connection with the final settlement of the whole Sino-Japanese conflict.

Capt. Eden replied that an agenda of any conference regarding Shanghai could not be decided by the British Government alone, but must be settled by a discussion of the agreements between the participating parties. He concluded by referring Mr. Mander to the reply he gave Morgan Jones, a Labor member, on May 26 regarding negotiations with the Japanese Government with a view to discussion among the Great Powers of an agenda for the round-table-conference in Shanghai. At that time Capt. Eden stated that confidential discussions, which it would be inaccurate to describe as negotiations, had recently been initiated by the Japanese Minister for Foreign Affairs with certain foreign ambassadors in Tokyo, concerning a round-table-conference in Shanghai to be established in accordance with the League Council's proposal of February 29. In this same reply, he had also added that it would be impossible to hold that conference without the participation of the Chinese Government.

Captain Eden Makes Statement in House of Commons on the Manchurian Customs

Capt. Anthony Eden, Under-Secretary of State for Foreign Affairs, was asked in the House of Commons June 14 to state the position as regards the Customs administration in Manchuria and whether the British Government would make representations to the Japanese Government to the effect that the whole of the revenues should be regarded as definitely allocated to the Chinese Government. Capt. Eden replied that the present conditions in Manchuria necessarily created a difficult and anomalous situation in regard to the Customs administration. His latest information was to the effect that so far the new authorities there had not interfered with the administration itself, though there was difficulty in remitting the surplus Customs revenue collected in Manchurian ports to Shanghai. In the circumstances, he continued, it seemed hardly desirable to make the suggested representations.

San Francisco Chinese Give Reception to Mrs. Short

Mrs. Elizabeth Short, mother of the late Col. Robert Short, was enthusiastically welcomed by the Chinese community on her arrival in San Francisco June 14 from Shanghai after participating in the ceremonies of burial of her son at Hungjao airdrome. Huge floral tributes were sent to the ship by Chinese admirers eager to display their appreciation of the service by Mrs. Short's son. Mrs. Short was subsequently the guest of honor at a banquet in one of the largest restaurants of San Francisco's Chinatown section. In a speech at the banquet, Mrs. Short said her son had been a non-combatant citizen of the United States at the time he was shot down by Japanese at Soochow. Cognizance should have been taken by the attacking force, she declared, of the fact that he was merely delivering an airplane to the Chinese, not engaged in hostile military actions against Japan.

Koreans from Vladivostock Caught with Huge Quantity of Dynamite

A telegram from Tokyo June 16 announced that the press ban on the Communist intrigue unearthed in Korea on April 16 had just been lifted. According to the account given by the authorities, a gang of six Korean Communists arrived at Seishin from Vladivostock on April 14 in a 10-ton sailing boat, which carried a large quantity of revolvers and 880 sticks of dynamite. The six men were arrested and committed for trial. They were led by a man named Yi Hu Hak who, it is alleged, acting under orders from the O. G. P. U. of Vladivostock, planned to blow up the railway bridge over the Yalu River and the railway tracks. His object, it is stated, was to disturb the Japanese rear. The trial of the gang was opened on June 21.

China Preparing For Chicago Show

BY C. Y. W. MENG 孟長洙

CHINA always participates in expositions held in foreign countries. As far back as 1904 China participated in the St. Louis Exposition. China also participated in the Panama-Pacific Exposition at San Francisco, and also in the Philadephia Exposition in 1926, which was held in commemoration of the 150th anniversary of the Declaration of Independence. Now, China has again accepted the invitation to participate in the Chicago Centenary Exposition in 1933.

But China's participation in the Chicago Exposition is somewhat different in meaning from the other participations. In the past, China participated in the foreign expositions merely because of the "social purpose." China never realized and appreciated the significance and importance of the participation. So no thorough preparation for the participation was ever made. When the time was near, the officials in charge of the participation would just go to the Chinese temples in the city to pick up some Buddhist statue or images together with a few relics and had them sent to the country where the exposition was being held. But China's participation in the Chicago Exposition is materially different in purpose. Judging from the speech delivered by the Minister of Industries, Mr. Chen Kung Po, and the opinions from the industrial and commercial circles, as expressed by the leading merchants, and the writings of the officials, we come to the conclusion that China's participation in the Chicago Exposition has many objects in view.

Mr. Chen Kung-po, Minister of Industries of the National Government, whose plans for China's participation in the Chicago Centenary Exposition next year are discussed in the accompanying article.

As explained by the Minister of Industries, in his speech, the exposition is not only a big advertisement place but is also a big commercial competitive field. "It is there where we could discover our shortcomings and learn something new from others," said the minister. "If our national products have already gained ground in the foreign markets, we should take this opportunity to do more advertising work and to extend the markets; if our national products have not yet been known in the foreign markets, we should take this opportunity to place them in this big commercial competitive field," continued the minister, adding that formerly the coffee from Brazil was not known to the outside world, but by participating in the exposition held in Belgium in 1905, when the Brazilian coffee planters freely invited the visitors to drink their coffee, and because the visitors were very well satisfied with their drinks, a large quantity of coffee was sold—and as a result Brazilian coffee became widely known throughout the world. In other words, eagerness to learn something new from the West together with the desire to place the Chinese native products in the foreign markets has caused China to accept the invitation.

The Chicago Exposition, as expressed by its Declaration, is essentially a scientific exposition to show the close relationship between the development of science and humanity and industrial development, and the contributions and progress made by the former to the latter. China, being a scientifically backward country really has nothing to show. But as expressed by an official in his article dealing with Chinese participation in the Exposition, China considers America as the most friendly country in the world, and with the exception of the adoption of the Immigration Law, the American gestures towards China are always friendly; and therefore the primary motive for China to participate in the Chicago Exposition is because China wishes "to take this opportunity to cement and cultivate the friendship with America and its people." "At the same time," continued the official, "what we should do is to do our best to pick out our best products and place them on view at the Exposition."

Minister's Powerful Speech

The Minister said that, in inviting China's participation in the exposition, the promoters had suggested that a special pavilion be built, of characteristic Chinese design, in which would be shown exhibits of an exclusive character. The commercial products of factories would be shown in another part of the exposition, but in this special Chinese pavilion, it was desired to bring together a collection of the most representative examples of Chinese culture.

The coming exposition at Chicago would be to a great extent an exhibition of applied science, and the Minister said it was fully realized that the opportunities for effective participation by China were extremely limited. An invitation to participate had been received early last year, but not until March last did the Government come to a final decision as to whether China should take part. Now that a decision had been arrived at, it was desired to do the very best possible with the very limited financial means at their disposal and in the short time left before the exposition opened next June.

The Government had decided to devote the sum of $400,000 in connection with the China section of the Chicago Exposition, but this sum would be available only in instalments, so that the greatest care would have to be taken in carrying out the arrangements. It would be a most difficult task to bring together a worthy and representative collection of exhibits in such a short time and at such a small expenditure, but success in such ventures depended entirely upon the will and energy of those undertaking the task.

The Minister then dealt at length with the history of China's participation in international expositions, pointing out that in the early days very little care had been taken in the collection of exhibits, and no special attention had been paid to the nature of displays. In 1910 an exhibition was held at which a number of foreign exhibits were shown, and for the first time the Chinese realized how important it was that such displays should be well selected and how profound an educational influence a well-displayed exhibit could have. Since the establishment of the Republic a great improvement has been seen in the character of the Chinese exhibits shown at the expositions abroad. There was still much room for improvement, however, and although a considerable amount of money had been spent on participation in various expositions it was doubtful whether China had benefited proportionately.

Judge Linebarger's Suggestion Considered

It is reported that Judge Linebarger, the advisor to the National Government. now in America, has submitted a memorandum to the National Government regarding the Chinese participation in the Chicago exposition. Though the details of the memorandum have not been published, it is generally believed that the advisor has proposed many helpful suggestions to make China's participation a success.

Scientific Selection of Exhibits

Mr. Chang, the director of the commercial department of the Ministry of Industries, said, "We should adopt a more scientific way of selecting the exhibits this time." The provincial authorities, and the different industrial organizations in the country would be instructed to do their best to collect the best exhibits in their respective provinces and within their respective lines of work. The Ministry of Education, the Central National Research Institute and other universities would be entrusted with the work of selecting the educational exhibits. The national art schools, and other cultural organizations in the country would be entrusted with the work of selecting the cultural exhibits. The Ministry of Industries, the Reclamation Bureau, the Agricultural Experimental Institute, the Central Industrial Labortory, the Chung Hwa Agricultural Society, and other schools of agriculture would be entrusted with the work of selecting the agricultural exhibits. etc,

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The Minister, in his speech, also pleaded for discrimination. He said that there has been a tendency to concentrate upon quantity rather than quality, and the Minister hoped that in getting together exhibits to be shown at Chicago next year more discrimination would be exercised than had hitherto been shown. It was not pretended that China had made anything like the wonderful progress seen in other countries during the past century, but she had progressed, and the Minister hoped those responsible for selecting the exhibits would discharge their duties in such a way as would make it clear to visitors to the Chicago Exposition that during the past century China had gone a fair way along the road of progress.

All selected exhibits would be placed in Shanghai before they are exported to Chicago, and they would be re-selected by the experts who would decide which exhibits should go to Chicago. Only those which are considered to be good enough would be sent to Chicago. The Minister added that it was his hope that arrangements could be made to show the exhibits in Shanghai before they were packed up for shipment to Chicago, and if this should prove possible he hoped the public would find that the choice made by the Committee had been a happy one. Participation in international expositions, said the minister, meant something more than getting a few medals and diplomas for exhibitors. A gathering such as that at Chicago next year was a first-class advertising ground, giving an opportunity to extend such markets as had been already established, and to open up new ones. It was fully recognized that, put against the highly specialized products of Western manufacturing industries, China goods did not attain the same high standards, but with competition gave an incentive to improve existing methods of manufacture. The minister, in concluding his speech, pleaded for support from the Chinese manufacturers and businessmen to make the display a real success.

Out of the small amount of $400,000 which had been voted to cover expenses it had been decided to give some financial assistance to the silk, tea, porcelain and rug industries in order to enable creditable exhibits of th es products to be brought together. It is also reported thate the Minister himself will represent China at the Chicago Exposition.

Nanking, June 18, 1932.

China Plans to Participate on an Elaborate Scale in Chicago Exposition

China is making elaborate preparations to participate in the Chicago Centenary Exposition which will open in June 1933. Plans for China's representation were discussed at a meeting held at the Bankers' Club, Shanghai June 15, when Chen Kung-po, Minister of Industry, made a speech appealing for support for China's exhibit. About 60 of the leading Chinese professional and businessmen of Shanghai were present to hear Minister Chen explain in detail the manner in which it is proposed to arrange for China's participation in the Chicago Exposition. They pledged their cordial support of the plans so far prepared for ensuring that Chinese art, industry and culture shall be displayed in such a way as to bring credit to the nation whose achievements in these fields are to be shown among similar exhibits by the leading nations of the world.

The Preparatory Committee is composed of 85 members, among whom are Dr. H. H. Kung, former Minister of Industry, Lin Kang Hou, former Vice-Minister of Finance, Chang Kia-ngau of the Bank of China, Wang Hsiao-lai, of the Shanghai Chamber of Commerce, Frank Lee, former Minister of Foreign Affairs, P. Y. Ho, Director of the Bureau of Foreign Trade, Yu Ya-ching, K. P. Chen, Dr. P. W. Kuo, Cheng Hung-nien, and other prominent leaders in commercial, industrial, financial and educational circles. The Committee is headed by Chen Kung-po, Minister of Industry. To facilitate the carrying out of the preliminary work, a standing committee of nine bas been appointed, and the work divided into four departments, namely, General Affairs, Exhibits, Publicity, and Design and Display. The offices of the Committee are in the Bureau of Foreign Trade, fourth floor, Customs Building, Hankow Road.

Civil Service Examinations Again Postponed

The Ordinary Civil Service Examinations, which were originally scheduled to be held on September 15, 1931, at nine different centers throughout the country, and which were later postponed to the first half of 1932, will again be put off. The Examination Yuan has decided that these examinations should take place between the months of July and December this year, as the recent Japanese invasion of Shanghai has upset all plans and necessitated a further postponement.

Are the White Russians in Shanghai Planning An Uprising?

A certain "White" general by the name of Dietrichs, living in the French Concession, Shanghai, is either trying to raise an army in China to fight the Soviet Russians or else he is trying to raise money for other purposes.

Circulars sent wholesale by White Russians in Shanghai to addresses in the United States appealing for funds to wrest Russia from Soviet rule have been barred from the United States mails. The money so solicited was asked to be sent to General Dietrichs, 154 Pere Robert, Shanghai. The following is a partial translation of the above-mentioned appeal for funds:

> "Results of thirteen years' Communist rule in Russia are misery and disease. In Shanghai a Russian army is being organized. The Russian army in Shanghai needs money for the purchase of arms, needs our support. Not lectures, not appeals are needed, but dollars. We are obliged to give this support and we shall give it. Each $5 is a hundred cartridges for Russian guns.
>
> "Each shot on the boundary of Manchuria is a signal for the uprising of the Russian people in Russia, a signal for the arousing of the Russians in France, Serbia, Bulgaria. Russia is not lost. The Soviet power is coming to an end. The factories are closing down. The Soviet economic structure is held together only by the support of German Jews, lying propaganda and, finally, by our criminal laziness. Enough of inactivity and lisping generalities. Outside of Russia, all of us, are doomed to slow death—that is clear to all, and to those who thought to build their happiness here. Outside of Russia both we and our children as well will remain pariahs; and the success of the world revolution—that will mean the shooting of each of us by the American Ogpu, however quietly we may be sitting. It is time to recognize that there is only one way out for us, armed struggle for Russia. Only by arms, only by arms can we return to our native land. Give arms to General Dietrichs."

When these letters began to appear in the United States, the attention of the State Department was directed to the matter by Boris E. Skvirsky, Soviet representative in Washington, and according to a *Shun Shih* telegram appearing in the *China Press* the State Department took steps to have such letters barred from the mails. The State Department is opposed to any move that would cause still greater trouble in Siberia and Manchuria.

Scion of Wealthy Chinese Family Murders Cousin and Uncle in Hongkong

A sensational murder occurred at Hongkong June 17 when a certain Chen-fook entered the compradore department of Butterfield & Swire, British steamship owners, and shot dead his cousin and then seriously wounded his uncle, Woo Hay-tong, who was compradore of Butterfield & Swire. Subsequently the assassin proceeded to the Japanese consulate and began firing at random, sending a fusillade of bullets which seriously wounded a Japanese clerk named Miname and Chancellor Hirata. The assassin then shot and killed himself within the Consul's room. The Japanese Consul was absent at the time. It is understood that the assassin visited Shanghai recently with his uncle Woo Hay-tong, who is a millionaire and shipping magnate. When interviewed, Japanese Consul Yoshida said the assassin was unknown to him but it was evident that the assassin had come to the Consulate with the intention of murdering him (Yoshida).

It is understood the assassin comes from a wealthy family and attacked his uncle because of the latter's refusal to advance him a loan. After killing his cousin the murderer's mind turned to anti-Japanese patriotic channels. Deciding to revenge himself on behalf of the Chinese nation he attacked the Japanese, knowing that he was at any rate doomed to be arrested. Woo Hay-tong has since died.

Dr. Liu Here to Direct Drive on Cholera

Dr. J. Heng Liu, Minister of Health arrived here from Nanking beginning of the week, and took charge of the health department of the Shanghai War Zones Rehabilitation Committee. He has organized a War Zone Health Corps under his personal direction. The corps is composed of 15 well-known doctors, 30 especially trained boy scouts. and 60 coolies, led by Dr. Li Hsun-ko; it will be despatched to the war-torn areas where free anti-cholera injections will be given.

The End of China's Silk Industry?

BY PAUL K. WHANG (汪仲芳)

IN my recent articles on China's silk industry, I have reiterated that it is now faced with a grave crisis—the gravest in its annals, and concluded that its end is only a matter of time, if no substantial financial help is given immediately to cocoon and silk producers. In making such an assertion, I have no intention of raising a false alarm, but I have based my point of view on actual facts which are too apparent to be ignored. Inasmuch as the silk industry is China's foremost and largest industry, its eclipse and downfall will have a pernicious effect upon the financial and economic conditions of the country in general and upon those of Central China in particular. Naturally we can not view the present unhealthy state of affairs with equanimity. My recent trip to Wusih, the cocoon-producing center of Central China, and my conversation with several silkmen there have enabled me to collect the following facts, the perusal of which will give the reader some idea as to the future of China's silk industry and the distressful state of our farming population.

Cocoon Crop Exceedingly Poor

From the sericulturists who made investigations in the Wusih and Kiangyin districts, we have learned that the number of cocoon-producers this season is only two-fifths of that of last year, and that those who raised silkworms reduced the quantity to half of that of the previous season. During the cocoon season, because of the prolonged cool weather with continuous rainfalls, about one-third of the worms raised died of disease, and those which reached the mature age, were not healthy enough to spin good cocoons. As a whole, only 40% of the silkworms raised in the Wusih and Kiangyin districts reached mature age, and therefore the waste of labor and money on the part of cocoon-producers was incalculable. We have been reliably told that because of the successive failures of cocoon crops during the past three years, many of the farmers have been so discouraged that they have thrown into the river the trays and other paraphernalia for raising silkworms and have sworn that they would never produce any more cocoons.

Mulberry Fields Greatly Decreased

The poor harvest of cocoon crops for the past few years had such an effect upon the owners of mulberrry fields that last year they turned many tracts of mulberry fields into rice fields. According to one report made by the Wusih Agricultural Experiment Station, about one-third of the mulberry fields in Wusih has already been thus transformed since last autumn up to this spring. Those who still kept their mulberry fields, very much curtailed the production of mulberry leaves in the hope of selling them at a good price this spring so as to recover some of the former losses. But to their dismay not only was the production of cocoons drastically reduced but the season proved to be worse than ever. At the beginning of the season the highest price of mulberry leaves was one dollar per picul. (In the previous seasons, the price used to be as high as ten dollars for two or three piculs.) Later, it dropped down to one dollar for two or three piculs. Finally, no buyers could be found to buy the mulberry leaves. In face of this anomalous situation, the owners of mulberry fields have no alternative to relieve their financial distress but to turn their fields into rice and vegetable fields. It must be noted that the process of turning the mulberry fields into rice and vegetable fields has been so rapid during the last three years, that it is feared that all the mulberry felds in Central China will disappear before long. The following figures made by a silk expert will give us some idea as to the decrease of mulberry fields in Wusih and Kiangyin respectively for the past three years.

	WUSIH (Mulberry fields)	KIANGYIN (Mulberry fields)
1930	251,073 mow	124,000 mow
1931	150,000 mow	82,000 mow
1932	84,000 mow	54,000 mow

From the above figures, we can readily see that within a short span of three years, the mulberry fields in Wusih and Kiangyin respectively have been reduced about two-thirds, and that if this rate of reduction continues the total disappearance of mulberry fields will become a fact after two or three years.

With the wholesale suspension of silk filatures, coupled with the stringency of the money market, the silkmen and cocoon-merchants had not the wherewithal to buy cocoons, and even if they had the means, they would hesitate to do so on account of the continuous business slump. Out of a total of more than 500 buying stations in Wusih, only 15 were opened. With the limited number of the cocoon-buying stations, the keen competition on the part of the cocoon-producers in disposing of their cocoons can be easily imagined, and on the other hand, the cocoon-buyers, taking advantage of the situation, wilfully kept down the price and bought cocoons only of the very best quality. Although before the season the provincial authorities and silkmen agreed that the price for the cocoons of disease-free eggs would not be lower than $25 per picul and that for the cocoons of native eggs would not be less than $15 per picul, the actual prices paid for cocoons were considerably lower than those limits. (In former seasons, the price for cocoons of disease-free eggs was as high as $70 or $80 per picul, while that for the cocoons of native eggs would be also around $45 or $55 per picul.) Since most of the cocoon-producers were poor farmers, and had to mortgage their meagre possessions to raise sufficient money to enable them to carry on this cocoon-producing business, evidently they were not in a position to hold their products for any length of time and had to dispose of them as soon as possible in order to pay back their debts in spite of the heavy loss they had to suffer in selling their cocoons at such low prices. Those who were financially able to hold their cocoons for some time either dried their fresh cocoons by some crude methods, or reeled silk from cocoons by means of antiquated instruments, so that they could store their products and await an opportunity to dispose of them. Cocoons thus dried and silk thus reeled are very poor in quality, hence a great economic loss to the natural products. Prior to the cocoon season, a resolution was passed at a meeting of provincial government authorities and silkmen that many cocoon-buying stations would be opened up to dry the cocoons for the cocoon-producers on the payment of fees for drying. That such a resolution can not give any relief to the cocoon-producers is self-evident, seeing that they were in such a destitute condition that they had not even the means to keep their life and soul together. How could they afford to pay the expense for drying their cocoons? According to the 1930 Wusih Year Book, the number of cocoon-producing families in that city was 168,809, and the production of fresh cocoons was 244,000 kin, which was valued at $12,000,000. The investigation this year has revealed that the cocoon production was only half as much as that of 1930, and therefore its valuation would not be over $4,000,000. Thus the loss to the agrarian population in Wusih as a whole is inestimable.

Widespread Decrease in Cocoon Production

What is true of Wusih and Kiangyin is also true of other cocoon-producing centers. In Kungshan, because of its proximity to the war zone, the farmers did not return to their homes in time to raise silkworms, and therefore produced nothing. In Soochow, only five out of fifty cocoon-buying stations were opened during the season. In Chekiang province, the production as a whole was only 30% of the usual quantity. Since cocoon-producing is an undertaking from which millions of farmers have utilized their leisure hours to derive additional income, its failure will not only have an effect upon the future of China's silk industry but also upon the well-being of the farming population.

Reports from other places have told us that the farmers have been very much discouraged at the loss of rearing silkworms and have turned their mulberry fields into rice and vegetable fields, and statistics have actually shown us that the mulberry fields in Wusih and Kiangyin have been reduced by two-thirds within three years. The decrease in the mulberry fields is tantamount to the reduction of the quantity of cocoon production. If this tendency continues, it is a foregone conclusion that China's silk industry will die a natural death before long. Its downfall will deprive millions of workers and farmers of livelihood and accentuate the economic crisis which is now already menacing the existence of this country.

The crisis has already reached its acute stage, and no high promises and lukewarm efforts on the part of the government can save China's silk industry from its downfall. While it is absurd to attribute all the blame to the government, the indifference and tardiness in rendering assistance when the assistance is badly needed can not be denied. Even in the present season, the government failed to open up public drying stations to dry the cocoons for the farmers, thus leaving these poor people further in a helpless state. It is curious to say that while the government

(*Continued on page 137*)

Shanghai's Mental Role

BY WILLIAM DANGAIX ALLEN

(Lecturer on Current Events, National University, Peiping)

CHINA will learn her deepest occidental lessons not directly from the West but from Shanghai, and not directly from the Westerners living in Shanghai but from the Chinese living in that city. The development of Shanghai is more important and interesting than floods or extrality. Any hindrance to Shanghai's development is bad for China. Uncertainty as to extrality's future, rather than extrality itself, the symbol of inferiority in extrality rather than physically tangible disadvantages, are among the worst enemies to Shanghai's progress. The flood on the Yangtsze will retard five years the development of Shanghai. On the other hand the wrecking done by the Japanese created a rare opportunity for ideal city and industrial planning. Setbacks such as the above must be balanced against the anonymous difficult-to-see tide wave of popular development. In this balance the tide wave cannot fail to eventually win.

No one learns but from oneself, and this applied to China means that only through the West's Shanghai fusion can China assimilate what the West has to teach.

What does the West represent really if not urbanisation, the Voice of the Four Millions, the discipline of traffic, efficiency of hurried full lives, gentility because only gentility and thoughtfulness for others can make tolerable such closely-packed agglomerations? When two people are in the same bed, their hope of comfort is to lie in harmony, yielding and compromising. On a crowded dance floor an automatic harmony and oneness is evolved which only necessity can teach. The greater a population, the fewer floods, wars, and birth control factors diminish a population, the greater is its yearning for peace. For only tolerance, a yielding to the greater need of the neighbor, can prevent life becoming a constant degrading squabble.

In Shanghai as in other super-centres, this westernisation or (why not call it by its most truthful name) urbanisation, has obvious mechanical and subtle mental results.

In an individual's mind, the congestion of needs and the absolute necessity for weeding out the less vital desires and projects, for organizing into manageable shape the thoughts that remain, is, according to present-day Western notions, the best way of achieving harmony.

The Lesson the West Teaches

Most of these lessons which the West wishes to teach China could have been learned by the West from China, some generations ago, in a form excellent for the old order of things in all lands. But times have changed or rather tempo has so changed that the lessons of peace, economy and lack of passion which her rural congestion taught China ages ago have lost their applicability and must be learned once more by China herself in a fresh, relatively far more effective form, from the West, emissary of the Big City.

The West has tremendous things to teach, harmful and good so closely allied that the latter cannot be obtained without a tendency toward the former. But all the good of the West, aside from the physical achievements of the recent past, are not western but Big City things. They can be counted on five fingers and include only the mental because the physical achievements of the West, from planes to hypodermics, are of the Past, as international and as obvious parts of life as are swords, plowshares, wind and sickness. All the mechanics and science of the West if considered in terms of living essence and not in terms of secretions and coral reefs, lies in the simple phrase: Yearning toward scientific expression. Without this, no nation can continue the present pace or even preserve that which is already attained. This tender germ which dies overnight in a child or continent is the greatest thing the West can give China. Count that as the first of the five potential gifts of the West to the East, or as the thumb.

Then come the four fingers: Firstly, a yearning toward a conscious (in contrast with instinctive which would be Chinese and rural) peacefulness capable of withstanding the irritations of modern life which are far worse and far more tangled than the crowded peasants of China ever have known.

Secondly, a realization of everyone's unfathomed capacity for knowledge and for the enjoyment and expression of knowledge provided the mind's burden is effectively storaged. Thirdly, a pleasure in serving strangers or communities not for the sake of Kingdom Come but because experience shows constructive action to be one of the most surely satisfying occupations and because anyone can logically reason out the fact that the broader the field of satisfaction the greater the satisfaction. Lastly, sportsmanship, which is really only a form of the second item.

Aside from these mental attitudes and habits, the East will never get anything from the West of value to Eastern internal progress—except a few temporary tools. If the tempo of today were not so great, the East could find sufficient of these in the towns with rural background. But the present tempo forces China to discard even the good of the past to learn the lesson of her sages over again in modern language, even from Westerners and Christians.

None of the above five benefits coming to China in their present-day form from abroad are fundamentally inspired by the Occident or Christianity. They are the very simple children of necessity, born in crowded commercial industrial centres in a climate not very different from Shanghai.

Shanghai's rate of development, in population, industry, and toward a stable political position, is in fact more important to China's future than, intrinsically, extrality, massacres by Japanese, or the drowning out of a rice region. It is largely because the uncertain future of extrality, the burning of homes, the lessening of pressure of the Yangtsze population unquestionably hinder the growth of Shanghai, that these newspaper-headline events are of permanent national importance.

Shanghai, the hurried, competitive, cooperative, close-packed life of the Big City, is destined to teach China in a few years those lessons which the West could never succeed in teaching directly because no nation can learn but from itself. At present, when Shanghai is only half-way up from a gold-rush camp to a New York, none notices the mental advantages already gained but everyone sees clearly the apparently excessive crime and labor strike, sex and hunger. Meanwhile the bulk of the literature, the books and magazines which all of Young China devours, is written and printed in Shanghai. From that Big City are distributed the modern popular music, the Chinese-made movies, the dancing, the women's and men's ideas of clothing and standards of expenditure and amusement. Thus Shanghai is not only a huge machine, the physical producer of half the national industrial output and by far the greatest centre for commerce with the outside world. It is also Shanghai, and not the West, which is the mental director of taste, the creator of desires, the one standard-bearer and standard-setter in Tempo. Therefore even to those who consider unseeable unphysical mental facts, what John Dewey calls "social facts," to be as non-existent as spooks, it is obvious that what Shanghai does is even more important for the history of China than what England does about extrality or the Yangtsze or Japanese wantonly do.

The Mental Significance

Great gains toward truth and understanding the only epoch that really counts—the future—are made by reassessing Shanghai from this perspective, by adding to its industrial and commercial importance its inevitably profound mental significance as training school of future effectuals and as the present folk literature, folk amusement, folk art capital of China. We thus see its capacity for the greatest evils of the West in the light of problems vital to the future of the entire nation. The headlines of Shanghai life, of a character to attract Capones and Diamonds, seem from the historical perspective merely passing symptoms incidental to the uncertain position of extrality. The same historically minded observer will on the other hand put spread-headline emphasis on the problem of adapting peasants to factory life. He will agree with Tawney in decrying persecution of an unrest carelessly unscientifically classed as communism as understood in Russia; he will urge the immediate need for better adjustment of laborers to a life which may not need to be in China as completely uprooted from village, home, earth as industrialisation is in the West.

To such a historically minded student, the Japanese eruption, however, permanently recalled as an abomination, will cry for the same constructive retaliation and *vita nuova* which the Chicago fire and San Francisco and Tokyo earthquakes gave impetus to. Only on a ruined Manchu dynasty could the republic be created; only on a ruined factory worker district can a conscious effort toward utopian industrialization be built. But solving Shanghai's problems, you sow seeds of progress which will carry spontaneously throughout the nation.

What I Saw in Russia*

BY YING-LAM LEE (李應林)

WHEN I was in New York last spring, I noticed that the American public paid more attention to what was going on in Russia than to the situation in any other foreign country. This was clearly shown in the large number of books, articles and news items concerning Russia. This is also true of the Chinese public. More than half of the new publications in the Shanghai bookstores about three years ago, were either translations from Russian literature or contained something about Russia. This interest still holds today.

Russia is such a large country and her problems are so new and so complicated, that in dealing with this subject one must make rather general statements and touch only her outstanding problems, such as her fight against private capitalism, religion and the family. These, together with her five year plan and the dictatorship of the proletariat, are challenging our present economic civilization, even Christian civilization itself. I want to give you some glimpses of what I saw on my visit to Russia with Dr. Eddy and his party, in the hope of enabling us to understand better some of the problems I have just indicated.

We were told when we were in England that since it would be difficult for any country to conquer Russia, it is likely that the country would remain at peace unless she became the aggressor. As a matter of fact many people are worrying about when she will come out and exercise her strong influence in world politics again. Her size alone gives her tremendous weight. Russia is three times as large as the United States, with a population of 160 million. Most of these are farmers; one half of her population, it is well to remember, is non-Russian. One has to travel in Russia, especially in Siberia, before he realizes the huge extent of the country. In seven days of travel after leaving Moscow one sees most of the time nothing but forests and open fields. If peopled as Belgium, we were told, Siberia alone would accommodate the present population of the world.

A Country of Great Contrasts

Although she is rich in natural resources and is now becoming a large exporter of grain, before the World War Russian industry was not highly developed. Always Russia has been a country of great contrasts; the privileged and ruling class was small, the unprivileged mass enormous in comparison. While there have been a few very able scholars, over 60% of the population were completely illiterate. She is near to the Orient in many ways, in spite of the efforts of her rulers in the past to westernize the country. Russian leaders declare that China will be the first country to become Communist because China presents so many similarities to Russia. Each of us may have his own opinion on this point.

In studying Russia of the present day one must remember her history in order to understand the significance of her problems. Autocracy and serfdom were two results of the Tartar rule in Russia. The government was administered through a number of nobles and landlords which led to the rise of this class. There have been several revolts on the part of the serfs and poor peasants. In 1861 about 22,000,000 serfs were set free but only to become poor peasants. The country has been under the rule for generations of autocratic czars with iron methods. Between the years 1905 to 1908 over 2800 persons were executed and 5162 exiled to Siberia.

All these experiences of the past, revolutionary leaders have made evident in pictures or in their writings. The grim old prisons, like the fortress of St. Peter and St. Paul, are now open to the public in order to reveal how much hardship the revolutionary leaders, including the radical intelligentsia of the nineteenth century, endured in order to build the present government for the benefit of the workers of Russia. How much better the lot of these toilers is now may be realized when we remember that before the war there were about 2,500,000 factory workers who had no opportunity for free speech and only very poor working conditions. More than half of the Russian subjects, too, as has been said, were non-Russian in nationality and as such were subjected to oppression and constant discrimination.

During the World War Russia was ruled by Nicholas II., a man weak in will-power, greatly influenced by his wife who in turn was almost completely controlled by the Siberian monk, Gregory Rasputin. This monk owed his influence largely to two causes, first that he alone had power over the illness of her only son, and second that he claimed to be divinely sent. His hold was strong not only over the Czarina but also over many of the ladies of her court. Through the Czarina Rasputin practically controlled state policies. We were shown one of the rooms at one of the palaces where the Czar used to meet with his cabinet. Above was a balcony where the Czarina sat during such councils. In case she did not approve of the way things were going she would, as we were told, write a note and send it down to him. He would then withhold his decision for the time of that meeting.

Ruled by such a weak emperor it was no wonder that Russia, when faced by such an emergency as the Great War, in spite of her size suffered defeat after defeat. Then the German High Staff smuggled Mr. Lenin across the Swiss border into Russia in the hope that he would create more trouble or at least demoralize the Russian rear. But he and his associates of the Communist Party had other ends in view and they started Revolution instead! They won the hearts of the people by their fourfold platform: peace from the World War; land to the peasants; power to the factory workers; autonomy for the non-Russian nationalities within Russia.

The Russian peasants, about 90% of the population, always resentful of their wrongs at the hands of their landlords and rulers; the factory workers with no outlet for their grievances; the non-Russian nationalities within the country who had always cherished the hope of political freedom; among these the Communist Party laid its foundations. The more intellectual element within the party was ready to head up the revolt and later to lead the country in its many new projects.

But in addition to the suffering from the World War, Revolutionary Russia had to face the blockade of her Allies and internal revolts from the White Russians. She had to fight a famine which destroyed her people by the million, and struggle against her earlier friends the peasants who were constantly opposing her economic plans and causing her, for example, to lose almost half of her live-stock about 1928 and 1929.

Through all these sufferings and struggles which led to the control and elevation of their youth movement, the emancipation of their women and of their 4,000,000 workers ready to fight for their present day privileges, the Communist Party and its government have come to stay in Russia and in our modern world. It is the Communist Party, too, which accounts for Russia having become the Russia of today.

In order to secure time for carrying out their new program, the Communist Party decided that the best way was to show no mercy upon their enemies and to attack the old institutions hard. They organized while their enemies were disorganized and while they were panic-stricken. At the time while the Communist Party were introducing their new projects they were also tackling some of the older institutions such as the family, religion, and private property. Consider, for example, their attitude toward the family.

Marriage Is a Simple Matter

Weddings seldom take place nowadays in church in Russia. Marriages may or may not be registered at the marriage and divorce bureau. Marriage is easy and so is divorce. No grounds for divorce are required. This however is only true where the couple is childless. If one does not like the other all he or she does is to go to the Divorce Bureau and register a divorce against the other. There is no need to inform the other personally. The bureau will do that. Often a person is divorced without the slightest warning beforehand. When we were at this bureau in Moscow an interesting case came up. A young woman came in the very day after her marriage and informed the secretary that her husband had drunk too much after the wedding and that her parents wanted her to divorce him. The case was granted and the husband was so notified.

In case there are children by the marriage the question of the granting of a divorce is decided by a people's

*A Lecture Delivered before the Arts and Science Club, Lingnan University, February 12, 1932.

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court. Either party may be required to support the children until they reach the age of sixteen. During the first half of 1927 there were 526,692 marriages and 126,280 divorces in European Russia. That means one divorce to every four marriages. In America the proportion is one to six.

At the marriage bureau we saw a wedding taking place. Both parties had first to show their certificates of citizenship and pay two roubles as a registration fee, and then comply with the following stipulations: both had to have reached the age of eighteen, to declare that they consented voluntarily to the union, to conform to the principle of monogamy, to promise not to live with a third person during the period of the marriage, to forego union with any descendants of common grandparents, and to refrain from marriage if either were affected by venereal disease. Finally, one party at least must be economically independent. Violation of the above stipulations is punishable by one year of imprisonment.

"Godless" Society Active

I do not think that the Communist party is trying to altogether destroy the family, but it is certainly doing much to loosen family ties. For example, public nurseries take good care of the children when they are small, later, by the age of sixteen, they are obliged to be enrolled as students or to enter some form of government service. The husband, too, may have one day of rest from his work, the wife another, for women are everywhere being drawn into industry. Public kitchens and dining-halls are working effectively and these, too, tend further to disrupt the home-circle. Finally there are very attractive public entertainments which take people away from their own homes in their hours of leisure. But the Russians are very fond of children and very proud of their wives, and this has held many families together in these days.

"The Russians are not overburdened with sex-consciousness," Maurice Hindus writes. "They do not play with sex. There is nowhere a hint of sex in the displays in shop windows or in amusement places. Prostitution is regarded as a characteristic of capitalistic countries and the commercializing of vice is viewed with moral indignation." Our observation showed this to be largely true. I saw only a few women dressed with the idea of attracting attention, and of course no men. Furthermore I saw a number of women walking about the streets dressed in swimming suits, and a few in Moscow swimming in the river practically nude, and yet hardly anyone paid any attention to them. All these changes are taking place much faster in the cities than in the villages which we visited.

The drive against organized religion is taking place everywhere except in Russian Turkestan where Mohammedanism is so strongly entrenched that the Communist Party does not dare to oppose it. In schools, theaters and moving picture halls one sees always the Red Corner and the anti-religious corner opposite. The "Godless Society" is quite active but its leadership is not particularly strong. The law against teaching religion to children under the age of thirteen means of course no Sunday School for them.

In 1922 freedom was granted to the free churches but later they also were under persecution. Many reasons are apparent for the present attitude of Russia toward her historic church. The Czar being head of that church and the church being often the agent of his government, his overthrow naturally brought loss of prestige and power to the church. The fact that the Orthodox Church has been, from the start, opposed to the Soviet Republic is another cause for its present unpopularity. Within the church itself there were many causes for its decline; its intolerance toward all other forms of religion, the moral laxness of many of its leaders, and its fostering of superstition are among the counts against it. The last reason was the one generally given when we asked our Russian friends why they did not attend church.

Is Russia, then, without a religion today? The answer depends upon one's definition of religion. The Communists are hard-working, sacrificial and ready to die for their cause. They have certainly shown religious zeal and spirit although they claim to be completely materialistic. They have a creed, a faith and public confession. Their propagandists abroad have the missionary spirit and an earnestness which is a challenge to our own Christian churches. A spirit of worship, too, can be seen in the thousands of people daily thronging the Red Square at Moscow to pay homage to their dead leaders. This homage suggested to me that they were trying to spiritualize a dead body and to place Lenin as the "God of the Godless" in the Communist world.

But how about the Russian peasant who has always been such a mainstay of the Greek Orthodox Church? The Russian peasant is not so religious as the outside world thinks. The old religion is sure to be given up sooner or later. Is the Communist "religion" going to take its place? Can it satisfy the religious needs of the people? Will the idea of devotion to party and to class ever replace the age-old demand for personal liberty? The inherent instinct for individualism may some day prove the greatest stumbling-block to the march of the Communist ideal.

I was told by a high official who was travelling with us on the Siberian railroad, that they were appealing to the most sacrificial spirit of the race to realize their future goal—a communist and materialistic society; after this was attained they would have no further need of the spiritual element in life. I am still puzzling over his words.

Last we come to the matter of private property, in regard to which the largest changes have taken place in Russia. I was told that the government controlled practically all business within the country, and the imports and exports as well. Practically all industries are also under government management. The land and property of the nobles, the merchants and the rich farmers have been either nationalized or confiscated. Those who oppose this order of things are greatly handicapped in their competition with the government. Sooner or later, it was felt, they were sure to join in with the rest.

It is the Russian farmers who are slowest to accept the changing conditions. One of the Koolaks (rich peasants) gave as his argument against collective farming that God had not produced us collectively so why should he attempt to work in that way. He and a few others in his village had just been forced to give up their horses and cows to the government. Although classified as "koolaks" (even this small amount of private property could be taken to classify them as such), they looked to me like poor farmers. They reminded me of the poor peddlers on the streets of Canton in the years 1925 to 1927 who were not admitted to the labor-unions because they were classified as "capitalists"!

Difficult to Obtain Food

Because of government monopoly it is very difficult to obtain food and other commodities. Around the markets and railroad stations I saw some invividuals trying to sell small pieces of meat or cheese, but this was against the law. I saw one women arrested for selling meat to the passengers on our train. Each person is allowed a certain amount of food each day and he must stand in line daily at one of the food-shops in order to secure his portion. A shop may sell food and other things to foreigners; there are two or three such shops in Moscow, but they do not accept roubles and they charge a very high price. There are no window-displays nor advertisements in the city, no competition between those who sell the same line of goods. The government as business-manager for the whole country has undertaken a gigantic task and their five-year plan is a huge undertaking.

We had an opportunity to visit the Lenin Commune which is operated on a different principle from that of the state farms or the collective farms. The group there contains about 500 members to whom the government had made loans of 700,000 roubles at 4 to 9% interest. The land, 2,000 acres, formerly belonged to a Russian princess, had been confiscated with the help of the surrounding farmers. Later the land was taken away from these same farmers and given over to the Lenin Commune.

Anyone may enter this commune. If he has property of his own, he must give half of it to the commune; the other half will be credited to him. All functional property is held by the commune. Rooms are assigned to each person, ten square feet per individual; the general allowance in Russia.

The Commune is governed by its elected committee. Work is assigned to individuals according to their ability. They are paid either in cash or in credit. Each person receives 30 copeks daily, in addition to his meals which are served in the common dining-hall. At the end of each year they divide up their general profits, after deducting certain amounts for the needs of the Commune. The nursery and the school in which the children were

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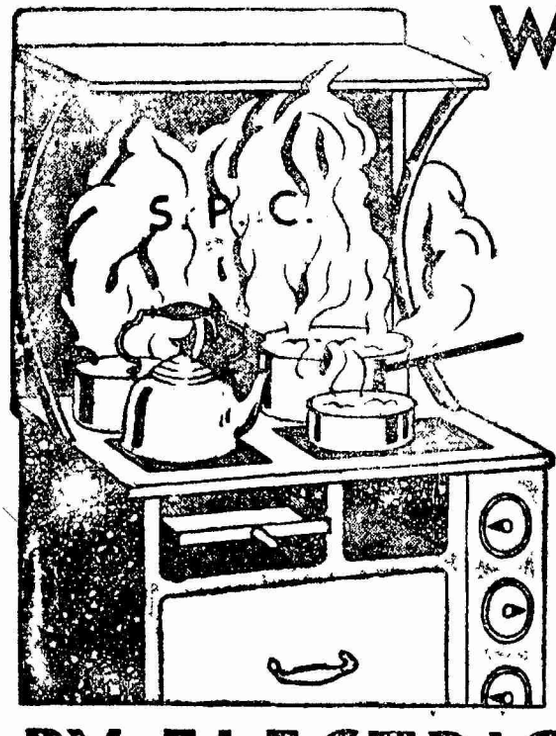

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well cared for. As far as we could see the work was going on well and most of the workers were doing their fair share. I raised the question of what was done with those who failed to do their full quota and at the same time ate more that their fair share of food. They had several ways of dealing with such cases; one was to write down their names on a blackboard and, in obstinate cases, to expel idlers from the Commune.

We also visited a prison camp which was organized along somewhat similar lines. The inmates came from different prisons and they were not under guard. About six persons directed the camp, none of them armed. The Russians seem to have solved the difficult problem of prison-administration by making the living conditions of the prisoners so attractive that even when allowed to leave the camp, they did not choose to do so! This is something that no other country has yet succeeded in doing. In this camp and in the Lenin Commune actual communist ideas were being worked out; elsewhere the country as a whole is far from communism. Not even socialism has been attained; the present regime in most places is one of state capitalism only.

The Five Year Plan

Let us now turn to one or two outstanding projects which the Communist Party has introduced into Russia; first, the Five Year Plan. Since the Soviet government, with the dictatorship of the Communist Party, is in full control of the whole nation's industries; her imports and exports; her internal commerce, through their cooperative societies; more than half her farms, under the system of collectives; with vast lands and natural resources within her own boundaries, she is in unique position to launch such a plan. While other nations, under the system of private capitalism, have only individual plans for each factory or group of factories and are without general plans, Russia has a national plan.

This plan, if it succeeds, will, it is hoped, enable Russia to become a strong nation, so benefiting her own people and at the same time attracting the attention and sympathy of the proletariat of other countries. Many Russian leaders think that this is one of the best ways in which to bring about the World Revolution. War psychology still prevails everywhere in Russia. The whole nation is being mobilized from top to bottom. Their hard-working, sacrificial spirit, their determination to reach their goal may justify the dictatorship which the Communist Party exercises. I saw two prison camps in Siberia where Koolaks and enemies to the new system were engaged in forced labor, yet on the whole I must say that the economic and social pressure is doing more to compel people to work than any military force could.

But the Five Year Plan is not merely a general plan for the country as a whole. It regulates details for every factory and school, for each individual worker. For example, the workers in any factory which has produced its required quota may enjoy a rest-day every five days. If the output of any factory is below the amount assigned, the day of rest may fall only on one day out of six, or even one out of seven. While the plan is working well at many points it must be recognized that it is less successful at others. Great losses were incurred at the outset, the quality of production has not always kept pace with quantity, some of the best land is now being cultivated by inexperienced farmers and industries are handicapped by lack of sufficient machinery and lack of skilled technicians.

Proletariat Is Exalted

The dictatorship of the proletariat is another experiment in Soviet Russia. "To be a worker in Russia is to be a privileged citizen. The dictatorship of the proletariat finds expression in a hundred varied ways." The Communist Party has about two million members, the Communist Youth about three million and the Communist Pioneers about four million. It is difficult to join the Communist Party but very easy to leave it. They "purify" the party once a year, at which time they expel about 10% of their members and take in at the same time about an equal number promoted from the Communist Youth. Of these two million members 68% are industrial workers and 18% are farmers, but they always maintain the principle that over 50% of their members must be factory workers.

While the Communist Party controls the government, the government dictates to the country. Within the party there is some freedom, outside of the party there is none. "In Russia one party is in power while the other party is in jail." It has been objected that the power of the party lies in the hands of a few leaders. But members are free to criticize their leaders, I was told, and exercise this right at the meetings of the party. To my mind, a political leader must know the thought of his followers in order to secure their support.

Class consciousness, class pride, class hatred have been successful, with the help to the government, in exalting the proletariat, in discriminating against, in many cases eliminating members of other classes. For example, the following may not vote or be voted for: (1) those who employ hired labor for their own profit, (2) those whose income is derived from some other source than their own labors, (3) private merchants, brokers, (4) monks and clergymen of all denominations, (5) employees and agents of the former Tsarist policy, gendarmerie or secret service, (6) members of the former reigning family, (7) criminals, lunatics and those under guardianship. But the proletariat class is open to all and is being widened every day; sometimes by government orders as when engineers were admitted into the rank of industrial workers, sometimes naturally as when undiversity professors, artists and many other people of refinement and privilege of their own accord dress and act like those of the workingclass. To be a worker in Russia is to be a privileged person.

When the workingman is top man one must not expect much personal service from him on trains or in hotels. It is in Russia as it was in Canton in 1925 to 1927 in this respect. Consequently hotel and train service is poor. Part of this is due to lack of skilled workers, however. On my way through Siberia our train broke down several times. In each case I found our porters and waiters side by side with the engineers trying to solve the difficult problems which the locomotive presented.

In their factories the workers must meet the required conditions, however, and maintain harmony with the management. While strikes are not illegal in theory, in practice they are difficult to carry out. Factory control is often shared by the workers. The trade union and the management come to agreement in regard to work and working conditions. If workers are mistreated the manager is punished. Welfare work is carried out in the factories and the conditions in general are good. In each industrial center the government provides enterainment, culture-centers, nurseries, club-houses and living-quarters for the workmen. All the palaces and summer homes of the Russian nobles are open to the workers. They can and do go to the universities, to the opera and many other places at reduced rates. In 1928, of 20,865 university students 41.6% were children of industrial workers; 26.5% of peasants; 19.1% of employees; 11.3% of intelligentsia and 1.5% were children of other classes. We happened to know one young lady from a former noble family who entered her university by adopting an industrial worker as her father.

Wages have increased about 67% over those before the War. But the cost of living has increased also. When we say that conditions are good, we are comparing Russia of today with Russia of yesterday. In comparison with the factory-worker in other countries the Russian worker today is not so well-off. While on the whole the workers are given many more privileges than formerly and the great mass of the people have been benefited, on the other hand you find no personal liberty in Russia. The individual is sacrificed to the group. The Soviet Government, quite successful so far in causing the rich to become poor, will have to struggle further before it can enable the poor to become rich. But the Communist Party has come to stay. The 4,000,000 workers are ready to fight for it. One finds military training in the schools for boys and girls and in the factories.

There are good points as well as weak points in this Russian social and economic experiment. In America however you find many forces at work against the Soviet Government. American statesmen, perhaps under economic influence, have decided not to recognize the Soviet Government. Capitalists and industrialists in America think that rationalization of capitalism will be required to check the spread of the Communist theory or that an economic bloc should be created to deal with the industrial challenge of Communist Russia. Even the labor leaders there show no mercy upon Communists. However, if the highly developed private capitalism in America is not able to avoid huge private profits at the expense of the general welfare; vast wealth in the hands of a small minority; national affairs influenced by men of wealth; poor people not getting what they need in the country

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of plenty; business cycles of overproduction, followed by business depression and unemployment; competition and duplication in production and distribution; struggles for world markets which lead to economic rivalries and military conflicts, exploitation of the weaker nations and of the proletariat; America and its economic system will be the first to suffer from the Communist World Revolution.

China is strongly under the influence of western Christian and economic forces and yet she has many conditions similar to those in pre-Revolutionary Russia. She is, further, deeply discouraged in regard to the League of Nations today. China is at the Crossroads.

A Veteran Missionary's Experiences in North Manchuria

Charles A. Leonard, veteran Baptist missionary in North Manchuria, in a letter describes his experiences while on a gospel mission recently along the eastern line of the Chinese Eastern Railway. One of the inconveniences he experienced was having to sleep on the Chinese brick beds or "k'angs" as they are called, which are heated by a fire from within on the same principle as an oven, which they greatly resemble. The resultant heat and lack of fresh air have a deleterious effect on the health. Referring to bandits, Mr. Leonard writes: "These may attack a village at any time, loot it, carry away for ransom those who have money and then burn those stores which they were not able to loot; or they may attack a bus along the highway, shooting it up in real wild west fashion, robbing the occupants, as well as holding some for ransom. These bandits are usually without mercy and are especially glad to get hold of a foreigner or any other person whom they think may be redeemed with a good sum. If we waited, however, until there were no such dangers in this part of the country we would not get much mission work done, and it is just because such conditions prevail that we are needed so greatly. These conditions have been made much worse as a result of the recent invasion of Manchuria by a foreign power. Until now it was safe to travel along the regular lines of travel. Although there are bandits in many of the outlying districts, conditions have been gradually improving the past several years. The Chinese remind us of this in discussing the present political situation, and would have it known to the world that they prefer Chinese bandits to the rule of an alien power whom, they say, they have come to mistrust."

Dr. Kuangson Young Addresses Liverpool China Society

Dr. Kuangson Young, Chinese Consul-General for Great Britain, was one of the speakers at a meeting of the Liverpool (England) China Society, held in that city May 17. In the course of his remarks Mr. Young said England was one of the first countries to make China realize that the Chinese were not the only people on earth. "You knocked the conceit out of us, and we are glad of it. The antiquated idea of an isolated China has been overthrown. The British people have helped us a long way during these years of crisis and transition." Trading possibilities between England and China were unlimited, he said. Between 1840 and 1900 Britain was the chief trader with China, and if every Chinese improved his standard of living by ten shillings a year, and that money was spent on English goods, England would receive at least £200,000,000 a year. But trade must be based on human relations, and China needed England's sympathetic understanding. Above all that understanding was needed for the Chinese in Liverpool, who should be treated with tolerance and guided out of isolation in a district chiefly visited by sightseers.

Changes in Administration of Railway Police

In order to increase the efficiency of the railway police, the railway police in the four most important railways (Shanghai-Nanking, Tientsin-Pukow, Peiping-Hankow, and Lung-Hai Railways) will be placed under the direct control of the respective Railway Administrations instead of under the General Affairs Section of the Ministry of Railways as heretofore. The new organs, to be known as Railway Police Administration Offices, are to be established on July 1. If satisfactory, the system will be extended to all other railway lines.

Hainan Has Rich Economic Possibilities

Assistant Trade Commissioner David M. Maynard, Hong Kong

(U. S. Commerce Reports, May 9, 1932)

HAINAN, so little known that it is referred to often as the terra incognita of South China, is an island lying just off the southern coast and administratively a part of Kwangtung Province. Its latitude is the same as that of Cuba, and it enjoys practically the same climate. Nearly 160 miles long and 90 miles wide, Hainan is larger than Connecticut, Rhode Island, and New Jersey combined. It is separated from the Kwangtung mainland by Hainan Straits, 15 miles wide and one of the most difficult stretches of water to navigate on the China coast.

Craters of extinct volcanoes are visible on the island, and a range of mountains in the south reaches a height of 7,000 feet. These peaks are densely covered with tropical foliage and many never have been scaled by white men. The island as a whole remains unexplored in the modern sense, but enough records are at hand to show that it has rich resources. Gold and tin are known to exist, hardwood trees in wide variety are reported from the forests, and furs and snake skins long have formed an item of native trade. Rich agricultural land is abundant, but much of it remains uncultivated.

The People a Medley of Strange Races

Racially and linguistically the island is potpourri. The people of Hoihow, its principal city, are largely descendants of immigrants from Fukien. Another portion of the island contains Mandarin-speaking communities, while to the south a small Mohammedan settlement has grown up. The aboriginal Loi and Miao tribes live in the mountains. In order to travel throughout the island it is necessary to speak 11 different dialects, while custom in dress and style of houses varies greatly from district to district.

Need for Roads and Communication Lines

Little has been published relative to the history of the island. A great statesman of the Ming Dynasty, Hai Sui, a native of Hainan, sent a lengthy memorial to the Emperor in the seventeenth century, pointing out the need of roads throughout the island, and in 1888 an ambitious general, named Feng Tsu Tsai, while attempting to subdue the wild Loi tribe, constructed a few miles of military roads 6 feet wide. In the eighties, a period of progress, a Chinese official visiting the port of Hoihow was impressed so greatly by its lack of harbor facilities that a foreign engineer was sent to investigate. During the same decade a cable was laid from Hoihow to the mainland, and most of the market towns of the north were connected by telegraphic wires. The cable under the Straits quickly fell into a state of disrepair; telegraphic lines were torn down and poles rotted. Twenty years later a visitor to the island found all these signs of progress blotted out.

Chinese Syndicates Have Attempted to Establish Industries

In 1908 the Hainan Exploitation Syndicate was formed among the Chinese of the Straits Settlements. Its prospectus stated that "foreigners and persons holding foreign religious beliefs" would not be eligible to purchase shares in the company. Between 250,000 and 300,000 Mexican dollars were subscribed. The syndicate opened tin mines, raised a certain amount of sugar, and started a cattle farm. All of these enterprises failed, however, due largely to a lack of security for property and the prevalence of thieves and bandits. As recently as 1930 another syndicate was formed, with its headquarters in Hong Kong, to exploit the island. Its initial project was a large hemp plantation. Modern agricultural equipment was purchased, including American tractors, and up-to-date farming methods were used. By the beginning of the present year, however, this company was in financial difficulties. Excellent crops were reported but they were stolen by neighboring marauders, and the directors of the company pointed out that further investment was impossible on the island until a period of security was guaranteed.

A Modern Harbor One of Hainan's Greatest Needs

Although, traditionally, the capital of Hainan is located at Kiungchow, actually most of the government official reside and have their offices in Hoihow. One of Hainan's greatest needs is a modern harbor capable of sheltering coastal trading vessels and junks. Tradition states that Hoihow, which is the largest port on the island, was located in a particularly inaccessible spot so as to protect it from the ravages of pirates. Vessels lie 4 miles off the city in the open sea, and if there is a storm brewing junks fail to come out to meet the ships, while even in calm weather the transfer of freight and passengers from ship to shore is an expensive and arduous task. Suggestions for improving the harbor have been numerous and several engineers have submitted proposals for the construction of a port. Capt. M. R. Bjuke, of the Swedish Corps of Engineers, at the present time attached to the Kwangtung conservancy commission, has submitted the most recent plan. His scheme provides for a constant deepwater shelter for cargo junks, to be built on the edge of Hoihow and connected with the city by a highway. The initial scheme does not include a harbor for ocean-going vessels. This proposition is now being discussed by the chamber of commerce in Hoihow, and, if accepted, will call for the expenditure of approximately 1,100,000 dollars local currency ($250,000 gold).

Island Resembles Hawaii as Home for Tropical Plants

Hainan has great potential agricultural resources, and visitors have often painted it as a second Hawaii. The population of the island at present is estimated at 2,000,000 to 3,000,000. A visiting expert some years ago concluded that the land could support 10,000,000, and further stated that Hainan was one of the richest agricultural areas of China. Nearly all tropical plants are able to live and thrive on the island. An experimental station is being operated near the city of Kiungchow by the Kwangtung bureau of reconstruction, while other experimental work has been carried on by a branch of Lingnan University. Rice and coconuts have been the traditional crops on the island, and recent plantings of coffee, indigo, and hemp have been successful. Pineapples have been introduced from Singapore, and at present large areas are being planted. Sugarcane is found in the northern section of the island; rattan products are brought in from the mountainous jungles; and the various tropical fruits, such as bananas, papaya, and lichees, flourish. Oil nuts are found near every village, and before foreign oil companies organized a wide distribution of their products this vegetable oil was used for lighting purposes by the natives.

Pigs and Cattle Exported—Jute Culture Attempted

Little silk is produced on the island, although one area not far from Nodoa contributes a small amount. In reviewing the exports from Hainan it is interesting to note that two of the major items are pigs and cattle. Nearly every ship leaving for Hong Kong carries a deck cargo of several hundred pigs, each in his own bamboo basket. Another smaller but interesting item is the Hainan frog, considered a particular delicacy in the restaurants catering to the gourmets of South China.

A little over two years ago a company was formed in Hong Kong to exploit a large jute plantation located a short distance west of Hoihow. Jute was planted, modern agricultural methods were employed, and an excellent crop was grown. The project failed, however, as the ripe jute was stolen by villagers and used as fuel. The company temporarily abandoned the project, feeling that no progress could be made until a minimum of protection for their laborers and crops could be secured.

Motor Cars on Island 99 Per Cent American

The Kwangtung department of reconstruction reports 4,000 miles of roads on the island. It is impossible to check the accuracy of this mileage, but it is known that dirt roads in fair condition exist between Hoihow and Kaichek, Hoihow and Macheung, Hoihow and Nodoa, and Hoihow and Kiungchow, covering the principal trade centers of the north. There are approximately 600 automobiles in the island, over 99 per cent of which are American. Taxation on motor cars for hire is extremely high —30 dollars local currency per month being charged in addition to 50 per cent of the gross revenue from each car. A portion of this revenue is assigned to the various road companies who construct the highway. Small manual telephone exchanges exist in Hoihow and Kaichek. The Hoihow exchange is connected also with Kiungchow, 3 miles distant. At one time the military authorities

maintained a long-distance telephone service from Hoihow to Kaichek, 75 miles to the south, but communists and bandits long since destroyed this line. Cable connections with the mainland, which were in operation over 40 years ago, no longer exist, and the only communication with the outside world is through a wireless station operated under the direction of the Chinese military authorities.

Foreign-Style Banks, Motion-Picture Theaters, Already Introduced

There are no foreign banks on the island, and the only two foreign-style banks operating in Hoihow are the Bank of China and the Central Bank of Kwangtung. Hoihow merchants, however, report that payment of foreign bills through these banks has not been satisfactory, and at the present time all direct business with foreign countries is done through the medium of Hong Kong banks. No paper currency or subsidiary silver coins are in circulation on the island. The silver Yuan dollar and the ordinary Chinese copper coins form the medium of exchange. The Yuan dollar was quoted in January, 1932, at approximately 23 cents gold, while this silver dollar can be exchanged for 210 coppers. In the small market towns of the interior trading still remains largely a matter of barter.

There are two motion-picture theaters in Hoihow, both located in old Chinese buildings, showing for the most part Chinese films and an occasional old American film brought in from Hong Kong. The maximum admission charged for these theaters is 60 cents local currency (approximately 15 cents gold). A new theater is in process of construction at Hoihow and is to be equipped with talking-picture apparatus manufactured in Shanghai. In the market town of Kaichek an old building recently has been reconstructed and will be used as a silent motion-picture theater. One ice plant equipped with old machinery exists in Hoihow and sells a poor grade of ice for 7 cents local currency per pound.

Need of Modern Water System and Electric Plants

A small electric-light plant furnishes current to the city of Hoihow, and a number of mission stations and hospitals have their own generating equipment. A scheme is at present under consideration for the installation of a small electric plant at Kaichek, but as yet sufficient capital has not been forthcoming to realize this project. There are three aerated-water plants in Hoihow; crude methods are used, however, and insanitary conditions prevail. The total production is insignificant. There is no modern public water system on the island, the leading hotels in Hoihow and the mission compounds maintaining small water systems of their own.

Like many parts of China, Hainan is a land of tomorrow. Vision and faith are necessary, capital is essential, but the primary necessity is for a stable government which will give peace to the island and protection to the potential investor there.

THE END OF CHINA'S SILK INDUSTRY?

(Continued from page 129)

officials have been busily engaged in mapping out a five-year or ten-year industrial plan, they do not give one fraction of their attention to the rehabilitation of an industry which had its origin several thousand years ago. If they can not uphold those industries which we have long established, how can we expect them to promote and build up new industries. In a word, the downfall of China's silk industry can not be arrested, unless the government officials can wake themselves up and immediately apply themselves to the task of finding measures for its relief.

Shanghai, June 20, 1931.

Director of Japanese Residents Corporation to Be an "Ex-Diplomat"

The newly established post of the director of the Shanghai Japanese Residents' Corporation, a new office to perform most of the business hitherto undertaken by the Chairman of the Corporation, may probably be chosen from among veteran ex-diplomats, according to the Japanese paper, the *Shanghai Nichi Nichi*. According to the local Japanese journal, "a former diplomat, having administrative ability, might be the person most suitable for the directorship of a Japanese Residents' Corporation in such a cosmopolitan city as in Shanghai."

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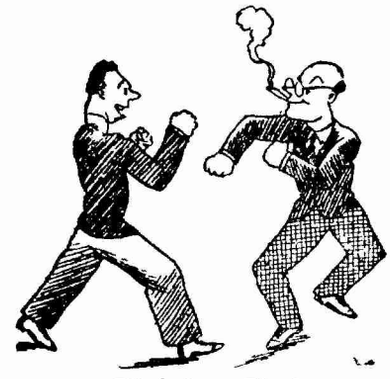

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Concerted Drive on Communists Is Begun

Following a decision reached at a series of meetings at Kuling end of last week and beginning of this week at Kuling, presided over by General Chiang Kai-shek, chairman of the National Military Council, a concerted move was begun for the suppression of Communists in the provinces of Anhui, Fukien, Hupeh, Hunan, Honan and Kiangsi. An important feature of the decisions reached was an agreement as to the means of raising the necessary funds. It will be remembered that T. V. Soong based his recent resignation on the difficulty and inadvisability of raising more funds either by taxation or by borrowing for the purpose of launching a military drive for the suppression of Communists and intimating that the more logical method of procedure was to concentrate on methods of improving the economic condition of the country. In the meantime the other members of the Government have been prevailing on Mr. Soong to withdraw his resignation, and present indications are that he will continue to serve the National Government as Minister of Finance.

The plan of campaign against the Red forces envisages movements along four main routes leading to the various strongholds of the communists in the provinces of Anhui, Fukien, Kiangsi, Hupeh and Honan. General Wang Chun, commander of 7th Division; General Hsu Yao-ting, commander of 5th Division; and General Yuen Sheng-hsieh, commander of 46th Division, were appointed to lead their troops as one flank, advancing from Northern Anhui towards Anking and Hopei.

The greater part of the ships of the three principal Chinese shipping companies—the China Merchants, the San Peh, and the Ningpo-Shaoshing—were commandeered by the National Government at the beginning of the week for the purpose of conveying troops to combat the Red Armies in the Yangtsze Valley. It is reported that the Government has decided to send more than ten divisions of troops to the bandit-ridden provinces to wipe out the Red menace once for all. The threat of the Red Armies in Hupeh to take Wusueh after occupying Kuangtsi, in east Hupeh has made it urgently necessary for the Government to send a strong force to check the Red's advance, hence the decision to commandeer ships for troop transporation. Wusueh is a strategic place on the north bank of the Yangtze. If it should taken by the Reds, not only would it be dangerous for Yangtze shipping, but also Kiukiang would be threatened.

General Chiang Kai-shek at Kuling

Despite these troop movements, General Chiang Kai-shek has remained at Kuling, where various important conferences have been held and will be held. Although no definite date has been announced, it is believed that he will leave for the Hupeh region in the near future.

The 14th Army under General Wei Li-huang, which is composed of the 10th and 83rd Divisions, assembled at Nanking beginning of the week, where they embarked on board steamers for upriver points. The Army had been distributed in Hangchow, Siashih, Changchow, Kashing and other points along the Chekiang section of the Shanghai-Hangchow Railway and made the journey to Nanking by rail.

The combined forces of the 31st, 33rd, 35th and 36th Division, under the command of General Chang Yin-hsiang, Ko Yun-lung, Ma Hung-kwei and Ko Ju-tung respectively were assigned to attack the communists at Lotien and Sinyang in Honan Province. Reserve forces commanded by Generals Tai Min-chuan, Huang Lieh and Tsao Wan-chung were to answer any calls for reinforcements along these two routes.

The main "Red" forces under the notorious Chu Te have retreated westwards from Juichin and Hui-chang, near the Fukien border in south-eastern Kiangsi, toward their old lair at Yutu. The arrival at Fukien of the 61st Division of the 19th Route Army is evidently responsible for their withdrawal, according to military intelligence reports.

One brigade of the 61st Division under Major-General Chang Li, is garrisoning Lungan, north of Amoy. One regiment of another brigade under Major-General Chang Yen has arrived at a point west of Chuanchow.

General Huang Chiang, Chief-of-Staff of the 19th Route Army, and other members of the staff of the Army Headquarters, were given a hearty send-off when they entrained from Soochow for Nanking June 17 *en route* to Fukien to participate in the anti-Red-campaign. General Chiang Kwang-nai, Commander of the 19th Route Army, has resigned from his concurrent post as Director of the Foochow Pacification Headquarters to which he was recently appointed. General Tsai Ting-kai, Commander of the 19th Route Army and General Chiang's chief lieutenant, is being made Acting Director. General Chiang, who is now in Kwangtung, is resigning on account of ill-health and is planning to take a long rest. In the meantime, units of the 19th Route Army continue to embark for Fukien where they will participate in the anti-Red campaign.

Under instructions from General Chiang Kai-shek. the district magistrate of Kwangchi, eastern Hupeh, who was held responsible for the debacle which resulted in the capture of that city by the "Reds," has been escorted to Hankow for trial and punishment.

Several victories won by Government forces over the "Red" bandits are reported from north-western and southern Kiangsi. According to dispatches form Nanchang General Lo Lin's 77th Division has routed the brigands at Taopu near Tungka, north-western Kiangsi. Upwards of a thousand outlaws were reported killed and a large quantity of ammunition seized. General Hao Meng-lin, Commander of the 54th Division, also reports that his units have repulsed the brigands in southern Kiangsi.

General Li Yen-nien, Commander of the 9th Division, left for Pengpu, Anhwei, June 17, to direct operations against the "Red" bandits in that province.

General Han Fu-chu, Chairman of the Shantung Provincial Government and concurrently Commander of the 3rd Route Army, issued a circular telegram June 17 reporting on the rebellion of the units under Liu Kuei-tang and announcing the abolition of the "Shantung Garrison Force." Shantung, Hopei and Honan troops are all converging on Puyang, in the extreme south of Hopei near the Hopei-Shantung border, for a joint attack on the Liu rebels. It is stated that General Sun Tung-hsuan, Commander of the 20th Division and concurrently Bandit-suppression Commissioner for Shantung, will be made Field-Commander of the joint forces of the three provinces.

A number of important centers in Northern Anhui including Hsu-sung, Taihu Lake District, Chien-shan, and Yingshan have fallen victim to the communist onslaught, following their invasion of many cities in the southern part of Anhui Province. These places were being occupied by Red forces commanded by Kuang Chi-hsun.

Five districts including Kwangchow, Huanghsien, Ku-chow, Hsihsien and Shangcheng in Honan are now in the clutches of the Red army. All efforts of the provincial authorities in Honan to rout the communists have failed so far because of financial difficulties. General Chang Fang has been heading the communist suppression campaign in Southern Honan, but he has lost more than half of the troops, who either were killed during the fighting or turned their backs against their commander simply because they have not heen paid by the government for their services.

After consulting General Chiang Kai-shek, Commander-in-Chief of the Bandit-suppressien forces for the provinces of Honan, Hupeh and Anhwei, concerning concrete bandit-suppression measures for Hupeh, General Ho Cheng-chun, Director of the Hankow Pacification Headquarters, General Hsu Yuan-chuan, Pacification Commissioner for Hupeh, and General Hsia Tou-yin, Chairman of the Hupeh Provincial Government, returned to Hankow end of last week.

The locomotive and six cars of a freight train were wrecked June 19 near Yangchiatsai, on the Peiping-Hankow Railway, after Communists had removed the bolts from some fish-plates.

Is China on the Verge of Communism?

"There has always been some danger of China going communist, and that danger is not dead to-day", said H. Wilson Harris in an article in the *London News Chronicle* June 20 on "Will China Go Communist?" It is not an altogether natural development, continued Mr. Harris, as there is nothing of particular appeal to the Chinese peasant in the idea of communism, but the first aim of the communist is to tear down, and any kind of an anarchy will serve for his purpose. That sort of communism is to be feared in China, he said.

Speaking at Peiping on the menace of Communism, June 20, Wang Ching-wei said that unless the "Red" menace is removed, the nation would not be able to offer effective resistance to foreign aggressors. He said that heavy forces had already been concentrated by Generals Chiang Kai-shek and Ho Ying-chin for the purpose of ridding the country of this curse. While the Government is well aware that no lasting results can be achieved without political and economic reforms, it is was equally true that unless the marauders are held sufficiently in check, it would be virtually impossible to carry out such reforms. Mr. Wang stated that the necessary financial arrangements to carry on an anti-Communist campaign had been made.

Canton-Hainan War Inevitable

(Special Telegrams to the China Weekly Review)

Canton, June 17

Acting under General Chen Chi-tang's instructions two Cantonese regiments commanded by Liang Kung-fook landed at Chungshan near Macao this morning and fired with machineguns at Admiral Chen Chek's gunboats, which included the cruiser *Chun Shan*. The latter retaliated with light artillery firing, resulting in both sides suffering considerable casualties. After a battle lasting an hour the gunboats weighed anchor and proceeded to Hainan, joining the remainder of Chen Chek's marines. The Portuguese and Chinese residents of Macao became excited on hearing the heavy detonation of fieldguns and the firing of machine guns but Macao suffered no damage.

Eugene Chen, accompanied by his wife passed through Hongkong to-day travelling in the s.s. *Naldera*, enroute to France. They had tiffin with Dr. C. C. Wu and Admral Chen Chek.

Canton, June 18

Further Macao reports state that in addition to the cruiser *Chun Shan* the gunboats *Pingsai*, *Wooshan* and *Feiying* participated in the encounter with Chen Chi-tang's three thousand soldiers yesterday morning. Chen Chi-tang's followers occupied Chungshan. Chen Chi-tang adopted drastic measures in disarming Chen Cheh's marines because of the failure of negotiations towards peace, despite mediations offered by representatives of Hu Han-min and Sun Fo. Disappointed at the result of his failure, Sun Fo's representative Ma Chiu-chun, after the abortive discussions with Chen Cheh and Chen Chi-tang, returned to Shanghai yesterday by the s.s. *Empress of Russia*. A Canton-Hainan war is considered inevitable.

A *Reuter* message stated that the battle was of a most spectacular nature. It appears that the land forces of General Chen had crossed under cover of darkness from Cheungshan to Lappa Island which faces Macao harbor where some of Admiral Chen's ships were lying. The latter were taken completely by surprise. The shore batteries were well placed and exercised telling effect on the warships which finally gave way. They left their anchorage helter-skelter and sped out to sea out of range, firing an occasional shot as they went. Some of the sheils fell into Macao Inner harbor. Lappa, lying to the west, forms with Macao a landing harbor with only one narrow entrance from the sea.

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Cantonese Air Chief Says He Wants No More Civil War

"War clouds are gathering thick and fast over the southwestern provinces, but I have sworn never to participate in any more civil warfare," declared General Chang Hui-chang in an interview with press correspondents upon his arrival in Nanking from the South June 17. General Chang said the air forces under his command would not take part in the conflict, but would follow orders of the Central Government. The Chinese air leader has come to Nanking to confer with Wang Ching-wei, President of the Executive Yuan, with regard to the Canton developments. The Canton situation was one of the urgent questions discussed at the Kuling conference last week which was attended by General Chiang Kai-shek, Wang Ching-wei and other Nanking leaders.

Sir Robert Ho Tung Gives Views on Future of Shanghai

Sir Robert Ho Tung, the multimillionaire Hongkong financier, who is at present in London, was the guest of honor at a luncheon given June 14 by the Chinese Consul-General. Amoung the guests was the retiring Chinese Minister, Dr. Alfred Sze. In an interview Sir Robert expressed the opinion that it would be best to wait until after the report from the Lytton Commission had been read before coming to definite decisions regarding a conference in Shanghai. He said that if the conference were held, both Shanghai and Manchuria would have to be discussed since they are so closely related. Sir Robert, emphazising the fact that he was expressing an unofficial, purely personal opinion, said that he saw no objection to retaining Shanghai for a neutral zone provided the present method of administration were continued, and the number of Chinese advisers be gradually increased to 50 per cent.

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Flood and Famine in Various Parts of China

Owing to recent incessant rainfall in various parts of China there is great danger of floods. A message from Hankow says the Yangtze has been rising rapidly and there are signs that the rise will continue. In Chekiang the Chientang river is also reported to be rising rapidly because of continued heavy rainfall. Many fields on both sides of the river are already submerged and dykes are in danger of collapse because of the great weight of water.

From north Kiangsu come other reports of flooding. The Grand Canal dyke at Shaopei, north Kiangsu, which broke during last year's disastrous floods has again broken through and a considerable stretch of land is under water.

A proposal has been submitted to the Hupeh Provincial Government by the Provincial Conservancy Bureau suggesting alterations in the latter part of the dyke reconstruction program. Should the plan be followed, over a million dollars will be saved and this sum will be employed for the carrying out of more fundamental measures such as the dredging of the River and the straightening of its course. Ten million inhabitants of Shensi are in urgent need of relief as a result of the calamities which have befallen that unfortunate province since the beginning of this year. Hail-storms, floods, drought, pestilence, the locust pest, and banditry have afflicted various parts of Shensi, leaving immense suffering in their wake. The situation is unprecedented as not one of the 92 districts of the province has been spared, according to information given by Li I-chih, Provincial Commissioner of Reconstruction for Shensi, in a telegram to the National Flood Relief Commission.

Loud protests have been voiced by the Agricultural Association of the five districts of Hsuchow, Peihsien, Sutsien, Suining, and Pihsien (northern Kiangsu) against dredging operations now being undertaken by the Shantung Provincial Authorities on the Tze-ho and the Niutou-ho, which flow into the Chaoyang-hu and Weishan-hu (lakes) between Shantung and Kiangsu. It is feared by the farmers in these five districts that an overflow of the lakes may occur should the two rivers empty a larger volume of water into the lakes, and thereby endanger the areas in northern Kiangsu.

Prices for all staple foods in Shensi are soaring to alarming heights as a result of the drought prevailing in many parts of the province. Little hope is entertained for a rice and cotton harvest this autumn, as the plants are parched for lack of rain.

According to reports from Sianfu the latest estimates of the extent of famine in Shensi Province state that 92 districts are affected.

Flood Wheat Distribution in China Is Done Efficiently

Milton Briggs, prominent American business promoter who has been associated with the sale of American flood relief wheat to China, in a recent statement expressed admiration for the results of wheat distribution among Chinese victims of last year's Yangtsze flood. "While Red Cross and other relief organizations consider anything over 60 per cent efficiency in distributing relief material, China's flood relief organization should be proud of its comparatively high efficiency average of over 80 per cent," Mr. Briggs stated.

Sir John Simon's Pitiful Figure at Geneva

Harold Laski, professor of Political Science in the University of London, writing in the *London Daily Herald* May 21 said: "The assassination of the Japanese Prime Minister reminds us of how far we have to travel before there is an end of the Far Eastern crisis. We who are appalled at the present results of Japanese Imperialism have still to realise the extent of military ambitions in Japan, and the comparative weakness of the civilian Government before the grim determination of the army to dominate the Far East. I heard this week from one of the wisest observers at Geneva about the question. For the first time since 1919 his hopes in the League begin to fail; and he places the main burden of failure squarely upon British shoulders. Sir John Simon, in his judgment, cut a pitiful figure throughout the negotiations."

Regulations Governing District Councils Approved by Executive Yuan

The Legislative Yuan formally approved on June 18 the draft regulations governing the organization and functions of District (*hsien*) Councils.

According to these Regulations, a District Council shall have power to deliberate and decide upon matters relating to:—Completion of district autonomy; district legislation; budgets and estimates of the district government; control and operation of district public enterprises; improvement of the economic conditions of the people and relief of destitute people in the district; promotion of district education and culture; matters referred to the council directly by the people through their exercise of the right of initiative; and matters referred to the Council by the district magistrate.

Members of the District Council are to be elected direct by the people. In districts having a population of less than 150,000, the Council shall have 15 members. For every 30,000 of population in excess of 150,000, one additional member may be elected.

Members of the Council are to hold office for 2 years but are eligible for the election upon the expiration of their term. No member is to hold any concurrent Government post in the District Government, nor will he be allowed to recommend persons for appointment in the service of the District Government.

China's Position on the Noulens Case

With reference to the Noulens case, a spokesman of the Ministry of Judicial Administration has explained that the delay which has been caused in the hearing of the case is largely due to the fact that most of the documentary evidence is in different foreign languages and has to be translated into Chinese. The spokesman also pointed out that in view of the serious implications of the case, the investigations—no formal hearing has yet held—have so far been conducted *in camera* which is however not uncommon in western countries when the crimes involved are of serious import. He said, however, that no matter if the accused should ultimately be convicted or acquitted after due trial, the Court will make public the grounds upon which such conviction or acquittal is based. A later announcement stated that the trial would be public.

Regarding the refusal of the Ministry to allow foreign counsel to appear in Court to defend the accused, the spokesman pointed out that this should not have caused any surprise. For just as Chinese lawyers can not freely appear in foreign courts, foreign lawyers cannot be allowed to appear in Chinese courts. In short, the spokesman emphasized, the Noulens case has been conducted in strict accordance with Chinese Law and there has been no discrimination whatsoever against the accused because they are foreigners.

Chapei Now Completely in Chinese Hands

With the exception of a small portion near the Japanese Cemetry and Rokusan Garden, all of Chapei was turned over to the Chinese June 17. A party of six Chinese officials in charge of the transfer together with British, American, French and Italian members of the Joint Commission as provided in the truce pact signed on May 5 called on Captain Sugisaka, commanding officer of the Japanese Naval Landing Party, at 10 o'clock that morning and made the necessary arrangements for the transfer of the remaining Japanese sectors. Following the meeting, a contingent of special Chinese police from Peiping and Tientsin was sent out to various positions near North Szechuen Road, East Kashing Road and Dixwell Road to resume police duties. The Chinese inhabitants in the transferred area hoisted national flags and set off fire-crackers to celebrate the occasion.

Gen. Honjo Lays Wreath on Chang Tso-Lin's Grave

On the occasion of the fifth anniversary of the death of the late Marshal Chang Tso-lin, Lieut. General Honjo, Commander of the Japanese Garrison in Kwantung, on June 17 visited the mansion of General Chang Hsueh-liang in the Native city of Mukden and paid respects to the grave of the late Marshal, by offering a beautiful wreath. The Japanese *Rengo* news service in recording this fact says, "The act of General Honjo has much impressed the Chinese public." (But probably not in the way that the Japanese message inferred.—Ed. *C. W. R.*)

Two Young Americans in Murder and Suicide Tragedy

A double tragedy was enacted in Shanghai end of last week, the two principals being both Americans, until recently in the employ of the American Oriental Banking Corporation. The dead body of one of them, Rodney Keeler Heim, 23 years of age, was found with bullet wounds in his head and body, lying in a field off Lincoln Avenue shortly after noon of June 17. The following day the dead body of John Martin Hansen, 32 years of age, was found in a cheap boarding house in the French Concession with a bullet wound, lacerated wrists and a bottle of poison lying by his side. The two events are connected as described below, the details being based on statements made at the inquest convened by the U. S. Court authorities during the week. One of the principal witnesses was the chauffeur of a motor truck hired by the two men shortly before noon on June 17 from a garage in the French Concession. The two men sat on the front street with the driver. The driver, as instructed, proceeded out Great Western road. Near Lincoln Avenue, Hansen placed his hand inside his coat pocket, diverting the attention of his companion to something by the roadside. Then a loud report ensued. Heim crumpled up in his seat. The driver thought a tire had burst. When the truck stopped Hansen directed the driver to aid him in putting Heim in the back of the truck. The driver was ordered by Hansen to drive farther on, Hansen staying with Heim in the back of the truck. Several hundred yards further, Hansen ordered the driver to stop. When the driver looked back Hansen was alone. As the body was found about 20 feet from the road the inference is that Hansen hurled the body from the moving truck. Hansen then got off the truck and ordered the driver to proceed. The latter immediately returned to his garage by a roundabout route and reported the incident. An alarm was sent out by the police of both Settlements for the apprehension of Hansen. As above related, Hansen was not discovered, he having evidently made thorough preparations for committing suicide. He did not return to his quarters at the Hotel Metropole. Instead he hired a cheap room at 471 Rue Lafayette. When he arrived at this addresss he was carrying a parcel, which, when later examined, was found to contain a pair of blood-stained trousers. He was wearing unsoiled white flannel trousers and a raincoat when he arrived there. Later investigations showed that he had sent part of the intervening time in Hungjao road, having told a Chinese chauffeur who gave him a lift that he intended to visit the Shanghai sanitarium.

Hansen and Heim were until recently residents of Tientsin, Hansen having been acting manager of the A. & O. Bank there. Hansen came to Shanghai with the U. S. Navy in 1927 as a pharmacist's mate, 3rd class, and was stationed ashore. He took his discharge and entered civil life. Heim had been employed by the Standard Oil Company in Tientsin before coming to Shanghai last winter. The men had been intimate friends for several years.

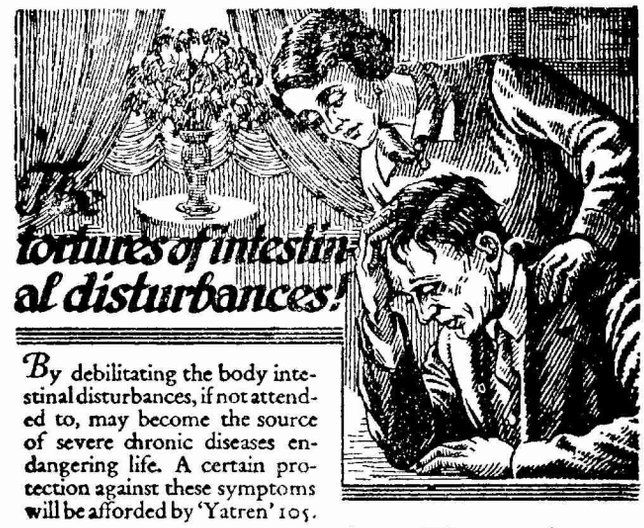
International Telegraph & Telephone Company Issues Statement on Earnings

The gross earnings of the International Telephone and Telegraph Corporation and its associated companies for the three months ended March 31, 1932, were $19,033,933.51, according to an announcement by the Corporation received recently by the Shanghai Telephone Company, which is one of its subsidiary companies. Due to economies effected wherever possible, operating expenses were reduced during the first quarter of 1932 to $15,568,067.30, as compared with $18,857,366.54 for the same period of 1931. Net earnings were $3,467,866.15, as compared with $5,307,971.35 for the corresponding quarter of 1931.

Troops Revolt in North Shantung

Troops under General Liu Kwai-tang which revolted in North Shantung on June 8 penetrated South Hopei and captured the towns of Puchow and Kaichow end of last week and began seriously maltreating the inhabitants. General Han Fu-chu of Shantung and Shang Chen of Hopei sent troops to suppress them.

Eighteen American missionaries are stationed in that area. The United States Legation has requested the Chinese authorities to take steps to protect United States nationals and, if necessary, provide escorts to bring them to places of safety.



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Men and Events

Chu Chang-nien, Chinese Minister to Sweden and Norway, has been appointed concurrently Minister to Finland.

Seventy buildings were burned in a spectacular blaze which broke out near the Sannomiya Shrine, in the business center of Kobe, June 20.

The British river gunboat *Petrel* arrived at Hankow June 17 under her own power after having been aground in the Upper Yangtsze since May.

A son, Miles Sharman Vaughn, was born to Mr. and Mrs. Miles W. Vaughn of Tokyo, on April 29. Mr. Vaughn is representative in Japan for *The United Press*.

The British steamer *Shengking* which recently went ashore on Chiming island in a fog arrived at Weihaiwei June 17 under her own steam, escorted by a tug.

Lin Yu-tang, editor of *The China Critic*, was announced as the speaker at the tiffin of the Union Club, Shanghai June 24, his subject being, "The Chinese Humanist Temper."

The death occurred in Shanghai June 16 of H. Herloison, Shanghai ship-broker as the result of injuries sustained by a fall from his horse at the Race Course June 11.

A. T. Steele, correspondent of the *New York Times* (formerly with the *Associated Press* in Shanghai) was held up and robbed by brigands several miles east of Harbin on June 11.

Seiin Iwamura, secretary in the Foreign Office in Tokyo, and On Shionoya, of the Kyoto Imperial University, who is an eminent authority on Chinese literature, are visitors in Shanghai.

A party of seven Japanese parliamentarians, passed through Shanghai during the week on their way to Europe in order to attend the International Parliamentary Conference to be held in Geneva.

Mr. Shigemitsu, the Japanese Minister to China, who was seriously injured at Hongkew Park, is at present recuperating in Dr. Goto's Surgery in the Kyushu Imperial University Hospital at Fukuoka, Japan.

Fritz Newel, former editor of the defunct *North China Standard* at Peiping, is a visitor to Shanghai. He has come from Berlin to represent a German newspaper syndicate. He has spent more than 20 years in China.

Ichiro Ota, Japanese Vice Consul at Nanking, arrived at Shanghai by railway June 15, he being the first Japanese to come Shanghai from Nanking by railway since the recent Sino-Japanese trouble in Shanghai.

Rear-Admiral Sakano, Commander of the Japanese First Overseas Squadron, who arrived here recently gave a dinner party to the local commanding officers of various foreign fleets at the Rokusan Restaurant June 15.

The National Government issued a mandate June 20 ordering the strict enforcement of opium prohibition. It states that any official found guilty of conniving at opium cultivation will be subjected to severe punishment.

Reports of his imminent departure for Sikong in connection with the Sikong-Tibet dispute were cofirmed by Shih Ching-yang, Chairman of the Mongolian and Tibetan Affairs Committee, in an interview at Nanking June 15.

Miss Fumiko Yonekawa, the daughter of a Japanese authority on Russian literature, was due to depart from Tokyo for Moscow June 24, for the purpose of introducing into Russia the classic Japanese music. Koto and Shamisen.

Yasuaki Fujiwara, Superintendent of the Communication Department, has been appointed Chief of the Postal Bureau of the Manchukuo Government, and with 20 assistants has already arrived in Changchun to assume office.

Dr. H. H. Kung, former Minister of Industry, who has been specially appointed to conduct a study of industrial conditions in Europe and America on behalf of the Ministry of Industry, is leaving on his mission abroad early next month.

A scuffle ensued at Tokyo, June 19, when the police ordered the suspension of a proletarian meeting which was being held at the Tsukiji Theatre. Several persons were injured in the scuffle, the police taking nearly 200 persons into custody.

The *Hsin Chin Jin Pao* and the *Hsin Min Pao*, two of the four leading Nanking daily papers received orders June 19 from Garrison headquarters to suspend publication for one day for publishing reports of which the Garrison headquarters did not approve.

A special committee of railway experts will be shortly organized for the Shanghai-Nanking Railway. It will study the various urgent problems, such as the removal of the Shanghai North Station, repair of the workshops, readjustment of the tracks, etc.

In view of the fact that the newly promulgated Company Law came into force this month, the Ministry of Finance issued a circular order to all private and semi-official banks of the country instructing that their institutions be immediately re-organized in conformity with the new Law.

Saddle Mountain (Ma-an-shan), in south-eastern Anhwei, has been selected as the site of the proposed Government Iron Works, according to Chen Kung-po, Minister of Industry. Construction of this factory will commence as soon as the contract with German interests is formally ratified.

T. R. Scanlon, general manager of the Sunland Sales Association, Inc. was scheduled to depart this week for the United States on home leave. The Sunland Association is agent for the Sunmaid Raisin Growers Association of California which markets the well known Sunmaid raisins in China.

It is reported from Nanking that the proposal calling for the appropriation of $10 million from the Boxer Indemnity Refund as a loan to the Kiangsi Provincial Government for the construction of motor highways in that province has received the official sanction of the Central Authorities.

After hovering between life and death for ten days in the Country Hospital, to which he was conveyed after having been struck by a Taylor Garage hire car in Avenue Edward VII, John Dunlop, British Vice-Consul, succumbled on June 19. The deceased was private secretary to J. F. Brenan, British Consul General.

The German Legation at Peiping reports that Father Konrad Rapp, pro-Prefect of the Apolistic Prefecture of Yenki, and a member of the Benedictine Order, was murdered on the evening of June 17 at Lungchingtsun. Details of the tragedy indicate that the murder was committed in a most brutal manner.

In accordance with a proposal submitted by Dr. Chu Chia-hui, Minister of Education, the Executive Yuan at a recent meeting decided upon the appropriation of 30,000 marks as a reserve fund for the Berlin China Art Exhibition, which is to be held in 1934 under the joint auspices of Chinese and German art connoisseurs.

Three Japanese sailors attempting to smuggle fire-arms were discovered by the Tsingtao Maritime Customs June 13 when the *Harada Mura* docked there. Customs agents found three automatic pistols and 700 rounds of ammunitions. The contraband was confiscated and the three sailors handed over to the Japanese Consulate for trial.

The Ministry of Interior is planning to establish a National Quarantine Bureau which will be entrusted with jurisdiction over all quarantine services in the country. The new organ will be under the direct control of the Health Administration of the Ministry of Interior. Besides a Director, it will have a total of seven medical officers.

The Japanese news agencies record that the anti-Japanese movement in Shansi, Chungking and other Yangtze towns is showing signs of dying down, but Japanese trade in those towns has not yet been restored to normal nor so far has a single former Japanese resident returned to his former place of residence in said places.

A memorial service was held at Nanking June 22 in memory of the Chinese officers and soldiers who lost their lives in the Sino-Japanese hostilities around Shanghai. Members of the Standing Committee of the C. E. C. presided and ranking officers of the 19th Route Army and the 5th Army, which participated in the hostilities, were present.

The Japanese *Press Union* issued a statement June 16 apologizing for having stated that the appeal for a round-table-conference would shortly be forwarded by the Consular Body to the National Government, whereas the fact was that the appeal now being studied by the Consular Body in Shanghai would shortly be transferred to the Diplomatic Corps in Peiping.

Chao Pei-lei, personal representative of General Ma Lin, Chairman of the Kokonor Provincial Government, arrived in Nanking June 20. At a press interview, Mr. Chao stated that the Tibetan troops have occupied several strategic points in southern Kokonor (Chinghai). The Kokonor and Tibetan troops are at present facing each other at Yushu. Mr. Chao has been entrusted with the mission of laying the facts before the Central Authorities and to appeal for aid.

Mrs. George Fitch and children departed this week for Tsingtao where they will spend the summer.

Mr. and Mrs. A. Bland Calder of the U. S. Department of Commerce, have returned to Shanghai from home leave spent in the United States.

Dr. Frank Rawlinson, editor of the *Chinese Recorder* and member of the American Board Mission departed this week on a trip to the United States. He was accompanied by Mrs. Rawlinson and their children.

Mrs. J. C. McCracken, wife of Dr. J. C. McCracken of St. Luke's hospital departed last week on a trip to the United States. Mrs. McCracken was accompanied by their children, Ruth, Elsie, Martha and Stewart, who will enter school in America this fall.

Mrs. W. S. Leonard departed for the United Stated this week to join her husband. Mr. Leonard, who is a manufacturers' representative has resided in China for several years but owing to the present depression will not return to China for several months.

Miss Rebecca To and Shiu Hong-ma were married at St. Martins in the Fields, London, Sunday, June 18. Two receptions were held, the first one for British guests and the other for Chinese. The guests included the Chinese Consul, Dr. Kuangson Young, and Mrs. Young, Sir Robert Ho Tung, Chinese financier, and many members of the various consulates in England.

In an editorial reference which appeared in last week's issue of *The Review* pertaining to Mrs. Pearl Buck and her novel "The Good Earth," which was awarded the Pulitzer prize, it was stated that Mrs. Buck was born at Yochow, Hunan province. This was incorrect as Mrs. Buck was born at Hillsboro, Virginia. The information printed in *The Review* was reprinted from *The Editor and Publisher*.

A Nanking telegram intimates that strong representations will shortly be made by the Ministry of Foreign Affairs to the British Government regarding new legislation of the Government of the Union of South Africa for the wholesale deportation of Chinese residents there. The new enactment, it is stated, demands that all Chinese residents in British South Africa must leave the country within three months.

Wenchow Bandit Caught by Ruse and Executed

A notorious bandit chief named Lai Koi-sing, who has been infesting the Wenchow region for years, was recently captured by a ruse; he was made to believe that he and his followers could turn soldiers with himself in an exalted positon, and he was then supplied with a large sum of money as wages for his troops. Returning to his base in Ho Chi, a feast was arranged in celebration of this change in fortune, and again he was persuaded that a photograph ought to be taken as a memento of the occasion. A photographer was then called and his group of bandits posed for the photograph, after stacking their rifles in the background. It was at this moment that the soldiers appeared and arrested him and his gang. He was forthwith executed.

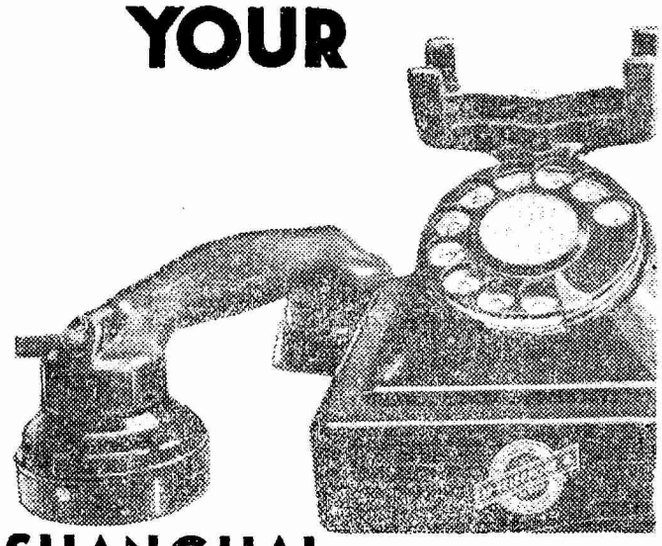
Suspended Sentences at Nagasaki Evoke Sharp Criticism at Nanking

The eight Japanese rowdies who burned the Chinese-owned San Yue towel factory in Yangstzepoo just prior to the outbreak of Sino-Japanese hostilities in Shanghai in January were given suspended sentences in the Nagasaki Court on June 3, after having been found guilty and formally awarded sentences ranging from a year to 18 months. The action of the Nagasaki Court has had an unfavorable reaction on Chinese official circles in Nanking, where a spokesman said the Nagasaki judgment reflected seriously on the state of law and justice in Japan.

Chekiang General's Arrest Asked by National Government

A warrant for the arrest of General Chou Feng-chi, former Commander of the 26th Army, is sought from the Chekiang Provincial Government by the Ministry of War. The Ministry's dispatch accuses General Chou of being the ringleader of the so-called South-eastern Self-defence Army which was organized at Shanghai in February during the Sino-Japanese hostilities and which aimed at the overthrow of the National Government. The plot was frustrated, thanks to the vigilance of the Greater Shanghai Municipal police. Chou's followers were arrested and Chiang Ming-chieh, one of Chou's henchmen, was tried and sentenced to death later.

WHAT GIVES SO MUCH FOR SO LITTLE AS YOUR



SHANGHAI TELEPHONE COMPANY

GARGOYLE

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Who's Who in China

Gen. Li Yen-lien, Commander of the 9th Division and former vice-Commander of the 88th Division of the 5th Army; born at Kwang Liao, Shantung, 1902; after graduating from the Tsinan Commercial College in 1923, he attended the Whampoa Military Officers' Academy and was graduated from the first class of that institution; following graduation, he served in the Training Corps and took active part in the first East River Campaign against Chen Chiun-ming and the Campaign against Kwangsi Militarists at Canton, 1925; participated in the Shameen Incident in the same year; fought in the second East River Campaign; upon launching of the Northern Punitive Expedition in 1926, was appointed a battalion commander in the First Army and participated in the battles at Wuchang and Nanchang; promoted vice-commander of the 4th regiment and fought along the Shanghai Hangchow Line in advance to Shanghai, 1927; appointed commander of 5th Regiment of the First Army and fought with Sun Chuan-fang's Forces at Lungtan on Shanghai-Nanking line, Haichow, Pengpu and Hsuchow on the Tientsin-Pukow Line; promoted Major General for meritorious service, 1927; campaigned against Chang Chun-chang's remnants at Hanchwang and Taian on the Tsin-Pu Line and was in defence of Tsinan city when the Tsinan Tragedy occured in May 3, 1928; promoted vice-commander of the 2nd Division after the Incident and was soon transferred as commander of the 26th Brigade of the 9th Division; participated in the campaign against Kwangsi Faction in Wuhan; fought in punitive expedition against Tang Sheng-chih and Feng Yu-hsiang, 1930; campaigned against the Northern Military Coalition of Yen Hsi-shan and Feng Yu-hsiang 1931 and fought at Kweiteh, Chengchow and other important points on the Peiping-Hankow Line; appointed vice-commander of the 2nd Division of the National Guards; transferred vice-Commander of the 88th Division of the 5th Army 1932 and fought against the Japanese at Shanghai; in recognition of his meritorious service during the war in Shanghai, he was recently promoted Commander of the 9th Division, the troops now garrisoning Shanghai belonging to this Division.

Gen. Li Yen-lien
李延年字吉甫

李延年字吉甫，山東廣饒人，年廿九歲，濟南商業專門學校及黃埔軍官學校第一期畢業，後卽任該校教導第一團排長，曾經淡水棉湖等戰役，十四年回師廣州，討楊劉，曾經龍眼洞白雲山沙基慘案等役，本年升黨軍一團第六連連長，曾經二次東征惠州河婆等役，十五年升一軍二師四團三營長，曾經北伐汀泗橋賀勝橋武昌南昌游布等役，後卽升四團中校團附，十六年曾經桐廬石湖蕩松江等戰役，升一軍二師五團團長，曾經海州龍潭明光臨淮關蚌埠徐州等戰役，後升一軍二師一團少將團長，十七年曾經韓庄泰安及濟南守城等戰役，後升第一軍二師副師長，旋改編爲第九師二十六旅旅長，曾經討桂武漢之役，十八年曾經討唐確山之役及討馮襄樊老河口之役，十九年曾經討閻馮歸德民權杞縣曹縣新鄭鄭州等役，廿年調爲總部攻城旅旅長，後升警衞二師副師長，廿一年改爲八八副師長，曾經上海抗日之役，現升任第九師師長。

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New Books of Interest in the Far East

Two Deceades Since the Manchus

Twenty Years of the Chinese Republic, by Harold Archer Van Dorn, Ph. D., published by Alfred A. Knopf, New York.

Prof. Harold Archer Van Dorn of Rutgers University is to be congratulated for having given us in this book the most accurate and comprehensive picture of modern China that has ever appeared in print in recent years. The author was formerly a member of the faculty of Nankai University in Tientsin and has been a resident in China for a number of years. In 1929 he took a special trip here to refresh his experiences and to bring his knowledge of developments in China up-to-date As a result he has written a most interesting and unbiased story of China's progress during the last two decades.

Prof. Van Dorn joins with the Chinese student abroad in deploring the lack of accurate information about China and even the misrepresentation of her conditions and problems by the sensational newspapers and novels in the West. In the foreword, Prof. Van Dorn writes: "While much information is now available about the Far East, that portion of it which comes to the attention of the general public is often in a sense misinformation, incorrect in emphasis and misleading because unaccompanied by correlated and conditioning factors. Our newspapers, if they live up to their name, must herald that which is news. Our news-reels do the same. Our novels and plays, whether dealing with foreign or local subjects, must dramatize the drab realities, the daily routine, the simple pleasures that are the lot of the common men everywhere, deck them out in exaggerated colors and unusual situations, to stimulate and please our fancy, but not to illuminate our minds or to promote our understanding. "In *Twenty Years of the Chinese Republic*, one finds the Chinese people neither a puzzle nor a problem, but merely a simple and frugal race struggling for a modernized social order and a rightful place in the family of nations. Prof. Van Dorn's treatment is neither pessimistic nor unduly sympathetic; his facts speak and speak powerfully.

Under the general headings of political, educational, religious, social and economic progress, Prof. Van Dorn has made a broad but thorough survey of the changes and achievements in almost every phase of Chinese life in the last twenty years. The fall of the Manchu dynasty, the intrigues of Yuan Shih-kai, the growth of the Kuomintang, the establishment of the Nationalist Government, the transformation of the school system, the popular education movement, the breakdown of traditional ethics and religion, the influence of the missionaries, the contributions of the Y. M. C. A., the new marriage customs and inheritance law, modern dresses, development of communication and industries, labor unions and strikes are but a few of the subjects described in this book.

Knowing the unconquerable nature of the nationalist movement in China and the futility of dealing with the Chinese by methods of gunfire and bayonets, Prof. Van Dorn asks a few timely questions. He writes: "Does any one think that new treaties forced on China in her present condition will be any more faithfully supported than those she previously renounced? Does anyone believe that the bombardment of Shanghai and the slaughter of thousands of defenseless civilians will promote Japanese trade and break the economic boycott? Does anyone believe that the thirty million Chinese in Manchuria can be kept in permanent and profitable subjugation to an alien race?" To those who feel doubtful about the answers to these questions, *Twenty Years of the Chinese Republic* will be valuable information indeed.

C. H. Lowe.

Shall America be Isolated or International?

The May 25 issue of *Foreign Policy Reports* is devoted to "American Commercial Policy and the World Crisis." The conclusion arrived at by the author, Maxwell S. Stewart is: "A close examination of American commercial policy and the various proposals which have been advanced for meeting the problems created by the contradictions inherent in that policy reveals two fundamentally different views regarding the methods for maintaining American prosperity. There is, in the first place, the view which has been predominantly held up to the present time, that

the relatively high standard of living hitherto enjoyed in the United States can best be maintained by measures which insulate American economy as much as possible from foreign competition and yet, at the same time, enable American producers to undersell all competitors in foreign markets. This policy, based on the tenets of nationalism, has gained favor not only in the United Stetes but in virtually all countries of the world. On the other hand, here is a growing body of economists who take a diametrically oposite opinion in declaring that such a policy is suicidal in an interdependent world such as we now live in, and who stress the necessity of some effective form of international cooperation in the economic sphere. It is doubtful whether these two views can be reconciled; either one or the other must gain ascendancy before American policy can be basically adjusted to present-day conditions."

Agricultural Debts in Japan Amount to Billions

A recent article in the *Japan Chronicle* stated that the agricultural communities in Japan are placed under the yoke of huge debts which to-day are put somewhere between Yen 5,000,000,000 and Yen 6,000,000,000. These debts are mounting at the rate of Yen 600,000,000 a year, and with such heavy liabilities unadjusted, there will be no return of prosperity. Debts really started to increase in 1915, and after the world war they mounted heavily. According to the Department of Agriculture and Forestry, the farmers owed Yen 4,585,000,000 at the end of 1929. Their debts increase at a rate of Yen 100 per household per year, and assuming the total number of households at 6,000,000, the aggregate yearly increase is Yen 600,000,000.

According to reports from Nagano Prefecture, the foremost sericultural prefecture, the average income of a tenant farmer which was approximately Yen 1,000 in 1929, dropped to Yen 300 in 1931 due to an abnormal fall in the price of silk-yarn. In Yamanashi Prefecture nearly all the 22,000 girl operatives in filatures there have not been paid their wages for months. In Gifu Prefecture farmers have sold their holdings at a sacrifice and many are applying for work in the cities. In Ibaraki Prefecture barter is now going on among farmers.

Japan to Expend Yen 350,000,000 on Agrarian Relief

As a means of the Government scheme to afford relief to the agrarian population and to the unemployed in urban districts, the authorities of the Japanese Home Ministry have decided upon large scale public works throughout the country at an estimated expenditure of 350,000,000 yen. The public works are to be completed in three years beginning from this year, and will include construction and repairs of roads, banks, and harbors.

Unprecedented Drop in Value of Yen

Following a continued downward tendency, the Japan-America exchange rate on June 21 witnessed the unprecedented low rate of G.$29.50. Among the reasons for the Yen's drop are: Japanese importers rushing to fix the exchange rate; unfavorable trade balance even towards the end of June, when, in ordinary years, a boom in export occurs; large scale yen selling among the speculators in Shanghai.

Japan's Trade Balance with China Improves

According to an investigation made by the Finance Ministry, Japan's trade with China, inclusive of Kwantung and Hongkong, for the month of May resulted in an excess of exports to the aggregate amount of 6,600,000 yen. The exports during the period under review were 24,118,000 yen, and the imports 17,518,000 yen.

Export of Gold from United States Still Continues

Fifty-four million dollars worth of gold left New York for Europe June 14. Fifty millions of this were for the Bank of France. The approximate total gold stock in the United States is $3,900,000,000. The loss of gold during 1932 was $920,000,000, while the loss this year has so far been $575,000,000. It is estimated that foreign short term credit balances still in the United States amount to $800,000,000.

In the United States Court for China

In re.	Domestic Corporation No. 152
Annual Statement	ANNUAL STATEMENT.
of the	Field at Shanghai, China this
Great Western Riding	9th day of June, 1932.
Academy	JAMES M. HOWES
.....	Clerk.

ANNUAL STATEMENT OF THE GREAT WESTERN RIDING ACADEMY AS OF DECEMBER 31, 1931.

The corporation is organized and existing under an Act of Congress of March 2, 1908.

The officers of the Company on above date were:

W. R. Rice, *President*
C. D. Culbertson, *Vice-President*
N. F. Allman, *Secretary Treasurer*
V. Kniazeff, *Manager*

The actual cash value of its property is

Permanent buildings	M.$55,612.94
Ponies owned	5,333.12
Saddlery	700.00
Furniture and equipment	1,059.50

Its location is in the International Settlement, Shanghai, China.

The actual paid up capital is M.$40,000.00.

The number of shares of capital stock is 4000.

The debts and liabilities are M.$5,000.00 the same representing current accounts payable and are therefore unsecured.

No salaries are paid to officers except to the Manager in the sum of M.$8,600.00 per annum.

UNITED STATES OF AMERICA
EXTRATERRITORIAL JURISDICTION IN CHINA } SS
CONSULAR DISTRICT OF SHANGHAI.

The affiants, Don Burdick and N. F. Allman, being first duly sworn, depose and say: That they are the President and Secretary & Treasurer respectively of the Great Western Riding Academy; that as such they have signed the foregoing statement; that the facts states therein are true to the best of their knowledge, information and belief.

DON BURDICK,
President
N. F. ALLMAN,
Secretary and Treasurer.

Subscribed and sworn to before me this 9th day of June, 1932.
JAMES M. HOWES

General Debility In Men And Women.

There are few people who do not at some period of life find themselves in a debilitated condition. There may have been any one of a number of causes: overwork, worry, sorrow or bereavement, errors in living; or it may be the result of an illness, from which recovery is not complete.

But this debilitated condition, with its physical and nervous weakness, tired feelings, dizziness, headaches, pains in back, limbs or joints, insomnia, digestive trouble and loss of appetite is really due to a defect in the blood, which has become thin and scanty. Until this is corrected the symptoms will remain.

The finest remedy for these troubles is a course of that reliable blood and nerve tonic, Dr. Williams' Pink Pills. These pills have created a unique position for themselves all over the world, by virtue of the fact, amply demonstrated in thousands of cases, that they are known to actually create new supplies of rich pure blood.

Read what Mrs. D. Shipston of 62, Miles Hill Crescent, Leeds, England, says: "For years my life was a misery through nervous debility. I had fits of dizziness and frequent headaches. I was ghastly pale, and could neither eat nor sleep well. After doctor's treatment had failed I was recommended to take Dr. Williams' Pink Pills. It is no exaggeration to say that they made me into a different woman, and banished all my symptoms like magic."

Dr. Williams' Pink Pills are the accepted remedy for both men and women in all those ailments arising from weak and impure blood. For nearly fifty years their claims have been consistently fulfilled. They must be good. All chemists can supply you.

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WILL CHINA DECLARE WAR ON MANCHUKUO?

(*Continued from page 123*)

statement opposing Japan's action in regard to Manchukuo, has also instructed her foreign office to lodge a strong protest to Japan.

"Meanwhile, the Chinese Government will continue its fixed policy of firm resistance and of struggling for the early restoration to China of her lost territory.

"Our fellow countrymen in Manchuria since the Japanese aggression, are living in daily oppression under a bogus government. Their lives and property are without any guarantee. What mental suffering they are living through is beyond the power of description. Hearing of the report that Japan now recognizes Manchukuo, these Chinese people in Manchuria must be anxiously waiting for news regarding the attitude of the Chinese Government.

"For this reason the Chinese Goverenment repeats again, that under whatever conditions and despite whatever pretexts put up by Japan, the Chinese Government will never recognize the puppet regime in Manchuria. The Chinese Government will never cease to struggle for the early restoration of Manchuria to China.

"The Chinese Government trusts that the people of China will patiently, persistently and united, prepared for their gigantic task so that the day will not be long in coming when their lost territory will be restored to them."

Dr. Lo Wen-kan, foreign minister at Nanking, also issued a statement dealing with Japan's move to accord official recognition to the Manchukuo state, declaring that "after constantly humbugging the world with assurances that she has no territorial ambitions in China and that she had nothing to do with the creation or maintenance of the puppet government, Japan has now laid bare her real intentions in the northeastern provinces. In other words, Japan has thrown off the mask and has decided to give immediate recognition to the organization of her own creation. In taking this action, Japan has not only contradicted all her past declarations, broken all her solemn pledges before the League as well as all the resolutions of the Council and Assembly of the League and in addition has violated the terms of the Nine-Power Treaty. In other words Japan has finally betrayed her own real intentions in the three northeastern provinces." In conclusion the Foreign Office statement said that it was China's firm intention to deal drastically with the Japanese-supported rebels in Manchuria and that Japan would be held strictly responsible for all illegal measures in that area which are regarded as continuous acts of military aggression. Finally it was declared that neither the signatories of the Nine-Power Treaty nor the members of the League, nor any other Powers in the world would ever tolerate or countenance such deliberate violation of the sovereign rights and territorial integrity of the Chinese Republic.

But while there has been no definite and specific announcement of the Government's policy the outstanding element seems to be that no longer will there be complete dependence upon the League of Nations for the deliverance of Manchuria from Japanese aggression. Other lines of policy also will be followed including possible early resumption of full diplomatic relations with Soviet Russia. Also, if one would believe the reports in the Chinese newspapers there will be no let up on the anti-Japanese boycott and of further importance, more active, although unofficial, support will be given to the Chinese loyalist forces which are fighting the Japanese in Manchuria. Numerous advertisements by Chinese unofficial organizations appear in the Chinese newspapers, soliciting funds for financing and munitioning the Chinese volunteers or guerillas which already are making life miserable for the Imperial Japanese Army in the three northeastern provinces.

Manchukuo Seizes Customs

The *Asahi* correspondent in Dairen June 18 telegraphed that the Manchukuo government had already instructed the Commissioner of Customs in Dairen to cease remitting funds to Shanghai. According to a *Reuter* message from Nanking, the decision of Manchukuo to declare the tariff autonomy of Manchuria is based on the fact that "no reply is forthcoming to Manchukuo's recent request to the Inspector-General of Chinese Customs in Shanghai (made through the Commissioner of Customs in Dairen) to negotiate on the question of handling Manchuria's customs revenue surplus."

A *Rengo* message from Tokyo, June 19, naively stated that "it is expected that the announcement by the Manchurian Government towards the Customs autonomy in Manchuria, together with the question of Japan's recognition of the Manchurian Government, will cause not a small sensation, internationally." In this connection, a spokesman of the Japan Foreign Office stated that Japan is totally indifferent to the question of Customs autonomy in Manchuria. He further stated that Japan's policy is to take a "blank" attitude and will not concern itself with the expected turmoil between the two governments. (China and Manchukuo).

According to the Japanese version the government of the New Manchurian State approached the Nanking Government on March 21 with the request for the peaceful transfer of the Customs in Manchuria from Nanking to the New State, subject to following principles:

1. All the Maritime Customs and their branches including Dairen Customs, in Manchuria, shall come under the supervision of the New State Government.
2. The import tariff and the official procedure for the revision of the tariff shall remain unchanged
3. As for the redemption of foreign loans secured by Customs revenue, the New State Government is prepared to share the responsibility of the Nanking Government, defraying rationally from the future Customs revenue in Manchuria.

To these proposals Nanking made no reply.

T. V. Soong, Minlster of Finance, in a statement made at Peiping June 22 said that despite all protests and the fact that it is a violation of treaty arrangements, the Japanese and Manchukuo authorities have now actually seized the accumulated customs revenues at Newchwang and Antung.

Mr. Soong, in his statement, gave excerpts from telegrams sent by the Commissioners of Customs at Newchwang and Antung. Newchwang wired on June 20 the following:

"The new superintendent's deputy called to-day with a letter from the Manchukuo Ministry of Finance, instructing me to hand over to the Manchurian bank by cheque, the revenue held in the Bank of China, and forbidding further remittance to be made to the Chinese Government. Disobedience to these instructions will be considered hostile and effective measures will be taken. I refused and was told that the revenue will be seized."

This was followed by a second wire on June 21:

"All revenue held in the Bank of China removed under force majeure to the Bank of Manchuria yesterday. I protested to the Yokohama Specie Bank and demanded a remittance. The manager of the Bank wired his head office for instructions yesterday."

The Antung Commissioner wired on June 20 as follows:

"The Bank of China officially informed me to-day that they had handed over the revenue balances as on June 19, after the receipt of a threatening letter from the Manchukuo Minister of Finance and after a visit of the local Chinese police, who instructed that the revenue should not be touched. The Bank, at the same time, informed me that such small service balances as they held had also been handed over."

In the course of a further statement regarding the legal and historical background of the establishment of Chinese Customs in Dairen, Mr. Soong said:

"The attempts now being made by the representatives of an illegitimate political regime, which style itself as Manchukuo, to appropriate the revenues of Chinese Maritime Customs at Dairen, in the Japanese leased territory of Liaotung (Kwantung), will, if carried out, constitute a breach by Japan of her treaty obligations with China, and will threaten the very integrity of the Customs service itself."

THE SINO-JAPANESE WAR AT SHANGHAI: A RETROSPECT

(*Continued from page 124*)

combatant parties to suspend hostile acts and to attempt to settle the trouble by pacific means. The Chinese High Commands readily complied with the suggestion and ordered the units at the front to remain on the defensive but keep alert to repel any Japanese attacks. But despite the truce to which the Japanese likewise agreed, the Japanese continued their attacks on the Chinese defense at frequent intervals. During two days of Feb. 1 and 2, fighting was completely at a standstill with the foreign Consuls making strenuous efforts to mediate between the two belligerent parties. However, taking advantage of the lull as afforded by the truce, the Japanese seized this opportunity to strengthen their defense and perfect their preparations for further offensive operations. Unfortunately the efforts of the foreign Consular Body proved fruitless and about 2 o'clock in the afternoon of Feb. 3, the peace negotiations definitely broke down and fighting on a major scale was resumed with Tientungan Station vicintiy as the center of operations. Manwhile, Japanese airplanes ravaged Chapei by dropping high explosives and flaming bombs, thus setting the entire district on fire. Amidst fire and smoke, the Chinese defense firmly stood their ground and succeeded in repulsing the Japanese attacks. On the same day, fighting also broke out in Woosung with the Japanese warships shelling the Woosung Forts and airplanes bombing the Chinese defence works. The Forts returned fire and scored several direct hits on the attacking Japanese war vessels, one of which was seriously damaged according to reports.

During the six days' fighting from the night of Jan. 28 to Feb. 3, the 6th Regiment of 78th Division suffered very heavy losses and was badly in need of relief. At midnight the Chapei defence was taken over by the 5th Regiment of the 60th Division under command of Col. Liang Tso-hsun who had been in defense of the Railway Station and the Paoshan Road Sector for all the remaining days up to the retirement of the 19th Route Army from Shanghai area.

February 4 witnessed the re-opening of hostilities on a gigantic scale with the combined Japanese land, navy and air force in full action. Shifting the center of fighting from Paoshan Road and the Railway Station, the Japanese concentrated a whole day artillery attack on Chinese positions from Kiangwan to Paitsichiao (or Eight Letters Bridge) in Chapei, preceding, as on previous occasions, their assault with armored cars. The fighting developed with growing intensity, as the day progressed and casualties were running high on both sides. The 120th Brigade of the 60th Division which was in defense of the Chapei front, suffered the largest loss during the day's fighting. On the Woosung front, the Forts were again subjected to heavy shelling from Japanese war ships for the whole day and under the cover of the heavy bombardment, the Japanese attempted to land and occupy the Woosung Forts. In face of the terrific artillery fire, both the officers and men of the Forts Carrison fled away and deserted their duty. Fortunately, Gen. Wen Chao-wan had previously rushed to Woosung with the main force of the 4th Regiment of his Brigade and instantly took charge of the situation. The resistance which the Regiment put up against the Japanese, was so stubborn that the Japanese were forced to abandon their attempts to land and return to their ships. It was estimated that during the whole day that day, the Japanese warships discharged at least 300 shells and the Japanese airplanes hurtled down over 100 bombs.

Feb. 5 was mainly featured by the loss of the first Japanese airplane in Shanghai which crashed into the ground at Chenju after being riddled with bullets fired from Chinese Anti-aircraft guns and rifles. Three inmates of the plane were burnt to death. On the Chapei front, the Japanese airbombers continued to work havoc among the civilian population by their indiscriminate bombing.

On Feb. 6th and 7th, the major fighting still centered in Chapei with Paitsichiao, (the Eight Letters bridge) as the chief point of struggle. Heavy casualties were suffered on both sides, with the Japanese failing to make any advance. On the Woosung front, about 1,000 Japanese marines, preceeded by 14 armed cars, made an attack on the Chinese defenses from the Military Road but after a fierce encounter with the 4th Regiment of 78th Divison, were speedily beaten back. Late that afternoon, news reached the Headquarters of the 19th Route Army at Chenju from reliable sources to the effect that one full Japanese Army Division was on its way to Shanghai and would land in a day or two. According to another report from English sources, several thousands of Japanese troops had landed at Changwahpang Creek and determined to occupy Woosung that day.

On March 7, Japanese re-opened a general attack on Chapei with artillery and airbombers. Numberless attempts were made at breaking through the Chinese defenses along the Kiangwan and Paitsichiao line, all of which were foiled because of the stiff Chinese resistance. However according to reports of Gen. Shen Kwang-han, Commander of the 60th Division, the fighting was the heavist since the resumption of the operations on March 3.

The days between March 9 and 12 passed fairly quietly but on the 13th, one significant development occurred, the well-known Tsaokiachiao Battle. Tsaokiachiao is located on the Wentsopang Creek and is of enormous military importance. In a determined attempt to ford the Creek and occupy that strategic point, the Japanese centered a heavy attack on the defense units of 61st Division which were garrisoning Tsaokiachiao. The Japanese advance guards struck furiously and at times came into close grips with the Chinese defense. They were unusually persistent and obstinate in their attack, while the Chinese offered equally stiff and unyielding resistance. After serious encounters for five or six times, the Japanese gave way and had to be content with retiring to their original positions. Thus, the well-known Tsaokiachiao Battle was fought and concluded, costing the Japanese more than 1,000 lives. Surviving Chinese officers who participated in that bloody battle vividly described that the Wentsopang Creek was reddened with bullet-ridden bodies and corpses which almost choked the course of the Creek.

The heavy reverse suffered by the Japanese at Tsaokiachiao utterly disabled them to take offensive actions and for several days after the 13th, there was no serious fighting. On the 14th, the Japanese reinforcement consisting of the 9th Division and one Mixed Brigade of the 11th Division under command of Lieut-Gen. Uyeda arrived at Shanghai, bringing with them heavier artillery and modern tanks and additional air bombers. On the one hand, the Japanese conducted feigned peace negotiations with the Chinese, while on the other hand, they took advantage of the lull to perfect preparations and acquaint their newly-arrived units with the conditions at the front. Owing to the exacting and humiliating demands presented by the Japanese High Commands, the peace parley failed to make any progress and came to a definite breakdown on Feb. 18, when, having fully completed their preparations, they resolved to take military action and make a show of their Army before international eyes in Shanghai. Shortly after 8 o'clock in the evening of February 18, the Japanese Commanding Officer Gen. Uyeda tendered an ultimatum to Gen. Tsai Ting-kai, Commander of the 19th Route Army, demanding among other things of intolerable nature the complete withdrawal of the Chinese defence forces from Shanghai to a distance of 20 kilometers before February 20, failing compliance with which, military action will be taken to enforce the demands. Highly indignant at the receipt of the ultimatum and the insulting demands contained therein, Gen. Tsai rejected them in toto and equally resolved to meet the Japanese on the field. The Chinese rejection to the Japanese ultimatum was expected and exploited as an excuse for fresh military operations. Determining to dislodge the Chinese Army from Shanghai area and force the Chinese to come to terms, the Japanese newly-landed army units took their positions at the front and got ready into action. According to investigations, the Chapei front continued to be defended by the Marines numbering over 8,000, while the line from Paitsichiao to Kiangwan and Miaohangchen was assigned to the 9th Division and the Wentsopang to Changhwapang sector garrisoned by the Mixed Brigade. All was ready only to wait for the appointed hour on February 20 to strike the first blow.

(*To be Continued*)

"China Press" Comic Section Available in Chinese

The popular comic section of the Sunday *China Press*, one of the most interesting features of the paper, is now made available to Chinese readers with a translation of same into Chinese. According to an announcement by the management of the *China Press*, the section will be issued every Sunday and may be subscribed for separately from the regular English edition. The yearly subscription rate is $1.50 plus postage, and for half a year, $0.80, Shanghai currency.

A Revealing Novel of Modern Japan

The Mother. By Yusuke Tsurumi. With a Prefatory Note by Charles A. Beard. 287 +xv pp. New York: Rae D. Henkle Company. $2.50.

A few months ago the young Korean author, Younghill Kang, published his autobiography, "The Grass Roof." The most affecting passage in the book was that in which Mr. Kang, who lived through the episode, described the Japanese invasion and later the annexation of Korea. The stunned misery and despair of the insulted, deceived and exploited Korean people was overwhelming.

There is a scene in Mr. Tsurumi's novel which describes Tokyo during the same period. The misery of one became the festival of the other. While despairing Koreans faced desolation, carnival ruled Tokyo. Japanese men crowded the Geisha houses, parades thundered through the streets, bunting flashed from every window. Stocks went up. There was a business boom, and the vulgarity and trivial ambitions that accompany it. What Korea lost was precious; what Japan gained was a gambler's winnings, quickly squandered and cheapening to the spirit.

It is in scenes like this one of Tokyo in revel that Mr. Tsurumi's novel holds actual revelations for us. In itself the story is trivial and sentimental, making much of the discovery that there can be heroism in a woman's struggle to rear her children. But worse than mediocre though it is, it has sold more than a quarter of a million copies in Japan. It has been dramatized and filmed and won an enthusiastic response from Japan's millions. It apparently satisfies a Japanese mass wish-fulfillment. For this reason the book is important for us. It is not what the author sets out to demonstrate, but his unconscious revelation on the way, that is of interest to the Western reader.

What Mr. Tsurumi reveals is a grotesquely imitative, parvenu civilization dominated by the forbidding ideology of a people on the make. The emotions of the book are chiefly determined by the fluctuations of the stock market. The mood shifts between gayety and depression as the market shifts between panic and boom. The happiest, the epic, moment in the book is when the heroine mother sees her son properly trousered in flannels on a tennis court at a fashionable Summer resort in the company of a rich man's daughters.

As one reads this Japanese book one is amazed by the lack of any reference to the ancient Japanese culture which, though it derived from China and Korea, developed powerful and profound native characteristics. The famous Japanese "patriotism" apparently countenances a virtually complete desertion of Japanese culture and traditions. Apparently this patriotism is limited to the puerile reverence for force that the rest of the civilized world is shrinking from as barbarism.

There is a constant adulation of the West as it has developed in the nineteenth and early twentieth centuries. The chief ambition of the fortunate classes seems to be a trip to Europe or to the United States; their chief baggage, tennis flannels and a camera; their games include baseball and auction bridge. There are references to Maupassant and Ibsen. The incongruous careers of Tolstoy and Julius Caesar equally inspire one of Mr. Tsurumi's heroes. Nostalgia for the past does not send him to the romantic antiquity of Japan but to the glory that was Greece and the grandeur that was Rome. Napoleon, Cromwell, Gracchus and the warriors of Plutarch march in his brain. Tolstoy is an anomaly among them. The one Western figure of whom no mention is made is Jesus; and he is perhaps the one who, more than any other, Japan most desperately needs.

Mr. Tsurumi is a Japanese liberal and one of the founders of a liberal political organization. He is a figure of importance in contemporary Japan, but the confusion of mind that this book reveals indicates why liberalism is so feeble in Japan. It is a mere distorted reflection of Western thought, a fashionable taking over of what is regarded as a Western intellectual fashion.

(*N. Y. Times, March 27*) ISIDOR SCHNEIDER.

Future of Extra-Settlement Roads Is Discussed at Conference

Meetings took place during the week between Stirling Fessenden, representing the Shanghai Municipal Council, and O. K. Yui, representing the Municipality of Greater Shanghai, to discuss the Shanghai extra-Settlement roads. At a meeting scheduled to take place June 24, the agreement reached at a previous meeting, as revised by the Ministry of Foreign Affairs, was to be brought up for final consideration and approval. The pact had been returned from Nanking to the authorities of the Greater Shanghai Municipality with certain corrections in wording.

French Group to Assist in Three Railway Projects

Tseng Chung-ming, Political Vice-Minister of Railways, announced at Nanking June 17 that proposals for the construction of three railways are under consideration. One scheme is to link up Shihchiachwang with Tientsin; another is to extend the line from Tungkwan, on the Shensi-Honan border, to Puchow, south-western Shansi, as a feeder to the Lung-Hai Railway; the third is the western extension of the Lung-Hai Railway from Tungkwan to Sian. Negotiations will be made with a French financial group for a loan. The same group, he pointed out, had financed the Chengting-Taiyuan Railway on which loan obligations were cleared up in March last. The new loan is to be secured on the receipts of the Chengting-Taiyuan Railway as well as those of the three new lines when completed.

It is reported that the board of trustees of the British Boxer Indemnity Refund has agreed to advance a loan to the Chekiang Provincial Government towards the completion of the Hangchow-Kiangshan Railway. The new railway, which extends from the eastern part of Chekiang province to the Kiangsi border in the west, is already two-thirds completed and regular services are in operation over this section.

To meet the increased demand for transportation facilities on the Shanghai-Hangchow Railway, rolling-stock will be loaned from the Peiping-Liaoning and Lung-Hai Railways in accordance with an order of the Ministry of Railways. Owing to shortage of rolling-stock as a result of the damage done by Japanese bombardment during the recent hostilities, the Shanghai-Hangchow Railway is unable at present to meet public needs, especially as extra trains have to be assigned for the transportation of troops in connection with the bandit-suppression campaign in central China.

The heavy liabilities, incurred by the Peiping-Hankow Railway, totaling about $110 million, are receiving the attention of the Ministry of Railways. It is understood that a Loans Readjustment Committee will be organized to deal with the problem. British and American creditors are interested to the extent of more than one half of the total loans outstanding.

League Commission to Start for Japan Next Month---Dr. Koo Will Not Accompany

The League Commission, which was originally scheduled to leave Peiping on June 22 on its journey to Japan, via Manchuria and Korea, later decided to postpone its departure for Japan until the beginning of July. The reason is reported to be due to the Japanese assessor informing Lord Lytton that Japan does not desire that the Commission shall arrive in Japan before July owing to the uncertainty as to whether Count Uchida will formally take the post of Foreign Minister, and Japan apparently wishes the question to be settled before the commission arrives.

Interviewed in regard to a *Reuter* dispatch from Tokyo which stated that the Japanese Government would prefer that he did not accompany the League Commission to Japan, Dr. Wellington Koo emphasized that he is under instructions of the National Government to follow Lord Lytton and his colleagues to Japan and could therefore pay no attention to any threat to his personal safety. However later reports stated that neither Dr. Koo nor any other Chinese representative would accompany the Commission.

A lengthy exchange of views between members of the Lytton Commission and the four leading Government officials who arrived in Peiping from Nanking, June 18, namely, President Wang Ching-wei, Dr. Lo Wen-kan, Dr. Wellington Koo and T. V. Soong, took place during a tea reception given in honor of the Lytton Commission at the building of the former Ministry of Foreign Affairs in Peiping.

Strike of Telephone Workers Fails

The Shanghai Telephone Co. announced June 21 that the strike of a large part of its operating staff which had been in progress since June 7 had come to an end, fully 75 per cent of the strikers having returned to work unconditionally. Telephone service was maintained during the strike by the foreign staff assisted by loyal Chinese workers, many of those ordinarily employed in clerical work manning the apparatus. In the meantime the Telephone Co. contemplates a considerable increase in rates for telephones, the increase having been sanctioned by the Shanghai Municipal Council, but still awaiting the endorsement of the French Municipal Council.

Chinese Bankers Establish Cooperative Credit Service

The Bankers' Cooperative Credit Service operated under the auspices of the Credit Men's Association of China, was formally inaugurated by a reception held at 1 Yuen Ming Yuen Road, Shanghai, June 21. A mercantile agency has been established, the function of which is to investigate the character, standing, resources and credit of individuals and corporations in commercial and industrial circles, and to compile and make reports or publications with the materials collected therefrom, for the benefit of its members, merchants, banks, manufacturers or individuals. Li Ming, the Chairman, made a short speech at the reception in the course of which he said, "Fifteen modern banks have now placed their credit information at the disposal of a central organization while others are expected to join the Association in the near future. A trained investigation staff makes further enquiries in addition to the information supplied by the member banks. Information from all sources are checked and counterchecked with the assistance of the credit men from the banks concerned, and, there can therefore be placed at the disposal of the public, reasonably sound information in response to every inquiry."

Political Struggle in U. S. A. Becomes Hotter

The political struggle in the United States is becoming hotter every day. The Republicans at their recent convention inserted a plank on prohibition which is admitted to be a "straddle" and the wording was so confusing that one Shanghai newspaper used the heading "Abolition of Prohibition Voted by Republican Convention," while another headed the same telegram "Motion for Repeal of Prohibition Rejected." One of the results of the Republican leaning toward "wetness" is that Senator Borah from Idaho, a pronounced "dry," has announced that he will not support the Republican candidate, Herbert Hoover.

The forthcoming Democratic Convention is expected to come out a little stronger on the "wet" side than did the ambiguous plank of the Republicans, which would leave a certain amount of regulation in the hands of the several States. Prominent among the Democratic candidates are Franklin D. Roosevelt, governor of New York, and Alfred Smith, the unsuccessful candidate at the last Presidential election. Recent telegrams indicate that neither of these two may be successful and that some compromise candidate, as for example Newton D. Baker, Secretary of War in President Wilson's cabinet, may be selected.

Latest New York Stock Exchange Quotations

Market:—Easy. Business Done Shares

June 22, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Mon. June 20	Tues. June 21
23½	1⅝	—	Adams Express	1⅞	Unq.
182¾	47¾	*6.00	Allied Chemical & Dye	51¼	49½
42¾	4¼	.50	Allis Chalmers	6⅜	6¾
129¾	34⅝	*4.00	American Can	37⅜	35¼
51¾	2	—	Amer. & Foreign Power	2⅝	2⅜
31½	1⅛	—	Amer. & For. Power W.	Unq.	Unq.
58½	5¼	—	American Smelting	7⅞	6¼
201¾	81¼	9.00	American Tel. & Tel.	81⅝	79⅞
132¾	45	*5.00	American Tobacco "B"	52	50⅝
80¾	12	2.00	American Waterworks	12¾	12½
43¼	3½	—	Anaconda Copper	4	Not
295½	30¼	*4.00	Auburn Automobiles	61	56¼
87⅞	3⅞	—	Baltimore & Ohio	6⅛	5¾
70⅜	7¾	—	Bethlehem Steel	8¾	8½
76½	21	*3.00	Borden Company	22⅜	22⅜
30¾	3½	1.00	Borg Warner	4	4
45¾	7⅜	1.25	Canadian Pacific Railway	8¾	8⅝
131½	17⅝	—	Case, J. I.	23⅝	22¼
102	19¾	2.00	Chase Bank	22	Not
54⅛	6	2.00	Chesapeake Corp.	7¼	6¾
25¾	5⅛	1.00	Chrysler	6¾	6⅝
20¾	1⅞	—	Cities Service Co.	2⅜	2¼
45⅝	4⅞	1.00	Columbia Gas & Electric	7	6⅝
12	1¾	.30	Commonwealth & Southern	2	2⅛
2¾	¼	—	" " warr.	5/16	5/16
109¾	33⅝	4.00	Consolidated Gas. of N.Y.	38½	36⅝
12	4	—	Continental Oil	4½	4½
86⅝	27⅜	*3.00	Corn Products	30	28½
5⅞	⅞	—	Curtiss Wright Co.	⅞	¼
78¾	23	4.00	Drug Incorporated	28½	27¾
107	25⅜	4.00	Du Pont de Nemours	27⅝	27
185¼	38	5.00	Eastman Kodak	42¾	41⅞
61	5⅝	6% S	Electric Bond & Share	7	6⅞
60¾	3⅛	1.00	Electric Power & Light	4	3⅝
38⅜	1⅛	—	Fox Film "A"	1⅜	Unq.
54¾	8⅝	40	General Electric	10½	10¼
56	20½	3.00	General Foods	21⅞	20⅝
48	8½	1.00	General Motors	8¾	8⅝
84⅛	7¾	3.00	General Railway Signal	Unq.	Unq.
38¾	9¼	1.00	Gillette Safety Razor	13½	13⅛
42½	8⅜	1.60	Gold Dust	9¾	9¾
20⅞	2¼	—	Goodrich Rubber	2¾	3
52¾	5¾	—	Goodyear Tire & Rubber	8¼	7⅜
62½	4	2.00	International Cement	5⅝	Unq.
4	½	—	International Combu. Eng.	¾	¾
60½	13½	1.80	International Harvester	14	14
20⅛	3⅝	—	International Nickel	4⅜	4
38¾	2¾	—	International Tel. & Tel.	3⅝	3½
80¾	10	—	Johns Manville	13	11¾
31½	5	—	Kennecott	5¾	5¾
27¾	1/32	1.61	Kreuger & Toll	1/16	3/32
91¾	34⅛	*4.00	Liggett & Myers, "B"	41⅜	40
63¼	13½	*3.00	Loew's: Inc.	15⅝	15¾
21⅞	9	1.20	Lorillard P. Co. (com.)	11	11¼
19	1½	—	Ludlum Steel	2⅜	Unq.
29¼	3½	—	Montgomery Ward	4¾	4¾
108½	24	2.00	National City Bk. bid price	26¼	Not
14¾	2½	—	Nevada Copper	2¾	3⅛
132¼	9	—	New York Central	12¼	12
90¼	14¾	10%S	North American Co.	18⅝	17½
54⅞	17¼	2.00	Pacific Gas & Electric	20⅝	20¾
11⅞	1¾	—	Packard Motors	1⅞	1⅞
50¼	1½	—	Paramount—Publix. Corp.	2⅛	2
64	7	—	Pennsylvania Railroad	8½	8½
8½	1	—	Pennroad Corporation	1⅜	1⅛
16⅝	2½	—	Phillips Petroleum	3⅝	3½
96	31¼	3.40	Public Service of N. Jersey	34¾	33
27½	2⅝	—	Radio Corporation	3¾	3⅝
24½	1½	—	Radio-Keith Orpheum	Unq.	2
54½	26¾	3.00	Reynolds Tobacco "B"	28	27⅝
62¼	13⅛	—	Sears Roebuck	10⅝	10⅝
10¼	2½	—	Shell Union	3	2⅞
23⅜	3	—	Simmons Company	3½	3¼
26½	5⅜	.80	Socony-Vacuum Corp.	7	6⅞
54½	16⅝	2.00	SouthernCaliforniaEdison.	19½	19⅜
88⅜	8¼	3.50	Standard Gas & Electric	11	10⅜
54½	20¼	*1.00	Standard Oil of N. Jersey	25⅛	24⅝
26¼	9⅝	1.00	Texas Corporation	10½	10
55¾	12¾	2.00	Texas Gulf Sulphur	13⅞	13½
18	2	—	Trans America	2⅝	2⅝
72	16	1.20	Union Carbide & Carbon	17¼	17⅛
205½	34	6.00	Union Pacific Railway	38⅝	37¼
38⅞	6⅝	—	United Aircraft & Trans.	8½	8⅛
31¼	3¾	.40	United Corporation	5	4⅜
87½	10½	1.20	United Gas Improvement	12⅞	12⅞
20⅜	2	—	U.S. Rubber	2¼	2¼
162¾	24⅜	—	U.S. Steel	25½	24¾
76¾	5¼	—	Vanadium	7⅞	7½
20⅜	⅝	—	Warner Bros. Pictures	⅞	⅞
107¾	18¾	1.00	Westinghouse E. & M.	21¾	21
72⅝	23½	2.40	Woolworth	25¾	25½
*Plus extras			Call Money	2½%	2½%

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The National City Co. Gold Bond Quotations Received From Head Office

June 16, 1932.

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	27	—
Argentine Government	6 % May 1, 1960	41	—
U. S. of Brazil	6½% Oct. 15, 1957	16	—
Republic of Finland ..	6½% Sep. 1, 1956	44	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	29	—
Kingdom of Italy	7 % Dec. 1, 1951	86½	8.54
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	10¾	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	58½	—
American I.G. Chemical Corporation..	5½% May 1, 1949	61	10.45
Rhine Westphalia Electric Power Corp. ..	6 % Apr. 1, 1955	25	—
QUOTATIONS RECEIVED FROM LONDON OFFICE			
Republic of China Gold Loan	5 % 1925	57¼	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	60½	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	58½	—
Chinese Government (Crisp Loan)	5 % 1912	35½	—
Shanghai-NankingRailway..	5 % 1904/08	29	—
Shanghai - Hangchow-Ningpo Railway ..	5 % 1908/58	57½	—
Hukuang Railway.. ..	5 % 1911/1951	18	—
Tientsin-PukowRailway	5 % 1908/09	13	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

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Exchange Circular for the week ending Wednesday, 15th June, 1932.

This week again has been extremely quiet, with no special feature, and variations in rates of only a minor character. Business in all branches is very slack indeed.

The Lausanne Conference, which overshadows every Country, opens tomorrow.

The London/New York Cross rate has varied between 3.66⅛ and 3.68⅛ closing today at 3.66⅛. The Japan Cross rate has declined from 32.35 to 31.25.

Silver:—On the 9th inst, was 17d. spot and forward, and U.S. $ 0.27⅞ and today closes at 16⅝d. spot and 16 5/8d. forward, and U.S. $ 27¾.

China has bought and sold: India a small buyer: generally the markets abroad are described as idle and featureless.

Exchange:—The official T/T rate on London on the 9th inst. was 1/7⅞d. which has since remained unchanged.

The market opened on the 9th inst. with sellers of T/T at 1/8 1/16d, U.S. $ 30¾ and Yen 106, which later became 1/8d, U.S. $ 30 11/16 and Yen 104½. At the close the market was quietly steady. Gold Bars 723/724.90.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver Tls. 77,530.000 an increase of Tls. 1,384.000
Chinese and Mexican Dollars $ 242,790,000 an increase of $ 2,670,000
Estimated value Tls. 252,338,000 as against Tls. 209,066,000 held at this time last year

†	Average rates for May	Thursday June 9	Friday June 10	Saturday June 11	Monday June 13	Tuesday June 14	Wed. June 15
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/Ton London	1/7.685	1/7⅞	1/7½	1/7½	1/7½	1/7⅞	1/7⅞
D/Dfts „	—	1/7⅞	1/7½	1/7½	1/7½	1/7⅞	1/7⅞
4 m/s „	—	1/7 13/16	1/7 13/16	1/7 13/16	1/7 13/16	1/7 13/16	1/7 13/16
T/T on India	109.530	110	110	110	110	110	110
T/T on France	763.920	767	767	767	768	768	765
T/T on N. Y.	30.105	30¼	30¼	30¼	30¼	30¼	30⅛
T/TonDemand		30¼	30¼	30¼	30¼	30¼	30⅛
T/T on Hamburg(R.M.)		127½	127½	127½	127⅝	127½	127½
T/T onH'kong	77.045	77⅛ nom	77⅛nom	77⅛ nom	77⅛ nom	77⅛nom	77⅛ nom
T/T on Japan	106.960	107 nom	105 nom	106 nom	106 nom	106 nom	104½nom
T/TonBatavia	74.400	75	75	75	75	75	74½
T/T on Straits	141.530	141	141	141	141	141	141
Bk'sbuying rates 4 m/s B/L. Cred, &D/A	1/8.760						
4m/s B/LD/P	808.320						
6m/s „ B/L Cred & D/A	—						
4 m/s B/F Cred D/A or D/P							
4m/s N.Y. Lc.	31.935						
4m/s „ Docs.	—						

†Based on Daily Official quotation, higher rate taken on risingMarket, lower when falling.	June 9	June 10	June 11	June 13	June 14	June 15
Bullion.						
*London Price of Bar Silver per oz. (English Standard925touch) Pence						
**New York Price of Bar Silver per oz.(Pure)	17	16 15/16	16⅞	16 15/16	16⅞	16⅞
Shanghai Price ofGold Bars (weight Tls. 10 (Chauping 978 touch)	G.$.27⅝ Tls.	G.$.27½ Tls.	G.$.27⅝ Tls.	G.$.27¼ Tls.	G.$.27¼ Tls.	G.$.27¾ Tls.
Shanghai Silver Bars (weight Tls.100(Canton) 999 touch) Nominal	724.50 Tls.	725.20 Tls.	724.30 Tls.	724.40 Tls.	722.50 Tls.	729.50 Tls.
Shanghai Mexican Dollars per $100	112.50 Tls.	112.50 Tls.	112.50 Tls.	112.50 Tls.	112.50 Tls.	112.50 Tls.
Native Bank Rate of Interest (Call money)	69.4½	69.2	69.2½	69.2½	69.4	69.4½
*Closing Price in London for Previous day						
**Closing Price in N. Y. for Previous day						

Bank of England rate of discount	2½%	London on Paris	T/T 93.07
Bank of France rate of discount	2½%	New York on London	T/T 366⅛
London open Market rate of Dis. 3m/s.	1 %	Bombay on London	T/T 1/5 9/32
„ „ 4m/s.	1⅛%	Hongkong on London	T/T 1/3 15/32
„ „ 6m/s.	1⅛%	Kobe on London	T/T 1/8 7/16

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